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The Latest Leaders' Behavioral Patterns and How they Affect Employees' Performance

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Abstract - Leaders play a very important role in leading people, especially employees in a company, towards the right path. Due to the shifts of many eras, the replacement of different generations of people in the workforce and the swift changes in technology; there has to be changes and adjustments made on the behaviors of leaders and how it affects employee's performance. In this essay, research is made on the latest leadership behaviors and its effect on employee's performance.

Keywords: leader, leadership behavior, employee's performance.

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THELATESTLEADERSBEHAVIORALPATTERNSANDHOWTHEYAFFECTEMPLOYEESPERFORMANCE

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The Latest Leaders' Behavioral Patterns and How they Affect Employees' Performance

Choong Ee Vonne [α] & Dr. Rashad Yazdanifard [σ]

Abstract- Leaders play a very important role in leading people, especially employees in a company, towards the right path. Due to the shifts of many eras, the replacement of different generations of people in the workforce and the swift changes in technology; there has to be changes and adjustments made on the behaviors of leaders and how it affects employee's performance. In this essay, research is made on the latest leadership behaviors and its effect on employee's performance.

Keywords: leader, leadership behavior, employee's performance.

I. Introduction

In every successful event, there is a leader. A leader is someone who takes the role of leading and inspiring employees, guiding them to the success of not only for the company, but also for the industry and economy. Leadership skills wanted by companies have changed over time as the workplace structure is also changing. The difference in lifestyle, preference and ideology of generation X and generation Y needs to be taken into consideration. As more people of generation Y are getting into the workforce, companies have to make certain changes of the company culture to enhance productivity. The rules and norms set by the older generations might cause unpleasantness for the newer generations. Leaders' skills need to be rewritten in order to adapt to the new generation's mindsets and to help increase their productivity. The traditional leaders are more conservative in terms of maintaining information but the new collaborative leaders are more open in sharing information and knowledge. The traditional leaders also believe power comes from their authority, and creates a gap between managers and employees. However, the new leadership style believes that the best power comes from a collective team with great communication.

There are two different opinions on the nature of leadership skills possessed by a person. The first school of thought is by Grint (2000) and Nietzsche (1969), where they believe that leaders are born and the leadership qualities embodied are subconscious (Mostovicz, Kakabadse, & Kakabadse, 2009). The other point of view is by Henrikson (2006), where he states that humans have to work hard to obtain and develop leadership skills before they can emerge as leaders (Mostovicz, Kakabadse, & Kakabadse, 2009). As there are claims that leaders need to develop skills before being able to lead, companies have to ensure future leaders are equipped with the new skills needed in order to ensure positive employees performance and hence, increasing company's productivity.

II. First Impressions on Employees

Most of the time, managers form their first impressions of an employee in the first few days of working. However, most of the managers do not realize their impression of the employee and had probably labeled them (Topper, 2007). According to Manzoni and Barsoux (2002), a manager basically separates employees into two groups: the in-group, which are the strong performers and the out-group, which are perceived to be weaker performers (Topper, 2007). Once managers unconsciously divide employees into the two groups, the manager will behave differently towards those in the in-group and out-group. Employees in the in-group will normally be viewed in a positive manner while those in the out-group will be viewed in a negative manner. Having a negative feeling towards an employee will make the employee's performance worse. It basically starts with the manager looking out for the slightest mistake, a negative interaction or a missed deadline from the out-group employee. The manager will then probably give a warning and keeps a close eye on the employee's performance. Doing this will cause the employee to feel frustrated and underappreciated of their work and contributions. The employee will then start communicating less and limits his/her movement with the manager. This behavior will then give the manager a confirmation on his negative perception of the employee. In this situation, labeling an employee has caused many employees' underachievement.

To overcome this problem, managers need to be aware if they have done this by asking "Have I mentally labeled a staff as a weak performer?" and "How am I liable to this situation?" (Topper, 2007). Managers need to be open minded in overcoming these problems. According to Manzoni and Barsoux (2002) again, there are five concrete steps that can solve problems caused by negative misconception on employees. The first step is *agreeing on the symptoms*. In this step, both manager and employee have to agree on the part where the employee has underperformed.

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The second step is *diagnosing the causes*. Both parties have to examine the cause of weak performance including the possibility of how the manager's negative view on the employee affected the performance. The third step is *finding the cure*. The two of them have to agree on the work objectives and the actions to be taken to improve relationship. The fourth step is *preventing relapse*. The manager and employee have to agree on the promise to report any future problems and have a more open communication. The last step is *monitoring the effectiveness of the treatment*. Both parties have to keep a constant review on the progression of both parties (Topper, 2007).

III. Sustainable Leadership

The German carmaker BMW has a sustainable leadership model which starts with senior executives taking a macro view on the company and asking the simplest question, "What is the purpose of this firm?" The company has indentified two distinction models whch is the sustainable "honeybee" leadership approaches and non-sustainable "locust" management (Avery & Bergsteiner, 2011). The "honeybee" leadership encourages leaders to build communities, enhance collaboration among stockholders and promotes long-term value. In sharp contrast, the "locust" leadership is a metaphor image of swarms of harmful insects arriving on green fields and stripping them bare. The meaning behind this is that locust leadership condones activities that achieve short-term returns for investors and bonuses for executives. One of the key honeybee practices is to have continuous training and development for all staff members and not restricted to only its special groups. Leaders who emphasis on employee's continuous learning will receive better performance from them. BMW is reported to have invested 179 million in employee training on 2010. The company stay focused on developing and retaining their staff by using a succession planning policy of promotion within the firm as one of their unique culture is developing their own managers (Avery & Bergsteiner, 2011).

IV. Emotional Intelligence

According to Druskat and Wolf (2001), in order to perceive someone else's emotions, feelings and to help others to regulate emotion in attaining a goal, social skills and empathy is needed (Polychroniou, 2009). Emotional intelligence is a trait needed and is highly emphasized this era. According to Rahim, et al. (2002), most employees are probably to respect and emotionally identify a leader who has empathy and is considerate in helping subordinates to be effective in handling conflicts and enhance job performance. The Goleman components of EQ describe the dimensions of EQ which should be practiced by leaders, and they are self-awareness, self-regulation, motivation, empathy and social skills. *Self-awareness* is the ability to recognize which emotions, moods and impulses one is experiencing. It also includes being aware of how one's feelings can affect others. *Self-regulation* is the ability to keep own emotions in check, remain calm in harmful situations and maintain composure irrespective to one's emotions. *Motivation* it the ability to stay focused on goals despite setbacks, to have hope of success rather than fear of failure and to accept change to achieve goals. *Empathy* is the ability to understand verbal and nonverbal message of feelings from others, able to provide emotional support to employees and understand the links between emotions and behaviors. *Social skills* are the ability to deal with problems without belittling co-workers, avoid negative feelings to influence and to handle conflict with tact and diplomacy (Polychroniou, 2009).

V. Bottom-Up Approach

Bottom-up approach involves proactive team input in the executing process. This approach allows employees to participate in management process. Discussion is made with leaders and employees and the decision is made by the whole team taking into considerations of opinions from employees. With a project facilitated by a number of people, the flow of the project will be smoother and fewer errors will be made as there will be more eyes looking through the process. Employees also get the opportunity to take lead on projects or productivity activities (Jagoda, Lonseth, & Lonseth, 2013). With the chances available, employee's performance will be better by gaining more experience. The company's productivity would increase to as this approach allows managers to spend more of their time on long-term improvements (Jagoda, Lonseth, & Lonseth, 2013).

VI. Being Led than to be Managed

Employees generally prefer to be led than to be managed. Being led means to have a leader to guide employees through a project, where the leader works closely together with employees. A leader mentors the employees and molds them into efficient and effective workers (Jagoda, Lonseth, & Lonseth, 2013). Being managed signifies to be under a close supervision and to do what is being told. There is less flexibility in being managed. The term 'manager' has a paternalistic relationship link where it propose people in the upper organization have better experience of operational excellence than those working on the floor (Jagoda, Lonseth, & Lonseth, 2013). This can create a gap between leaders and employees. A leader who behaves like a leader than a 'manager' will work closer with employees to understand their personalities better. It will also help groom the skills of employees to show better performances.

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VII. Ethical Leader

An ethical leader leads his/her employees by knowing and doing what is right. Decisions have to be made ethically and attitudes together with interactions have to be ethical too. According to Brown et al. (2005) who emphasis on social learning, "Ethical leadership is the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making". Being an ethical leader is important because employees are perceived to imitate examples from their supervisors. Humans have a watch and learn capability. Employees apply this by watching cues of how their managers behave, consciously and unconsciously on the behaviors that are important and what types of behaviors are acceptable in the workplace (Mari Huhtala, 2013). When a manager behaves unethically, he/she sets a negative example which translates to the unethical behavior of the manager is acceptable in the company. This could eventually risk the company of being exposed to breach of ethicality. Employee's performance at this rate could be lowered when unethical acts like bribery occurs in the company.

Ethical leadership can measure an employee's trust and satisfaction with the leader, increases employee commitment and enhance their willingness to report any dissatisfaction or problems to the management. However, leaders cannot simply put on a mask in fulfilling being an effective leader. Any dishonest can risk the credibility of a leader and put down the morale of employees (Leaders' focus on followers' needs: Asian perspective on knowledge workers, 2013).

VIII. Transformational Leadership

Transformational leadership has a key role in leadership engagement. There are distinctive attentions paid to employee's attachment to the company and their relationship with leaders (Tebeian, 2012). There are four components of transformational leadership: the first is idealized influence, where followers trust and identifies with their leaders; the second which is inspirational motivation, where leaders provide meaning and challenge in employee's work; the third is intellectual stimulation, where leaders invigorate employee's ability to adapt and creativity in a blame free context; and fourth being individualized considerations, where leaders support employee's needs for growth and workplace achievement (Xu & Thomas, 2011). According to Kahn (1990) in relative to employee engagement; trust in leader, support from leader and creation of a blame-free environment psychological safety component allows employee's engagement (Xu & Thomas, 2011). The transformational leadership brings the leader closer to the employee which helps the leader understands the employee better. A better understanding will result in better employee performance.

IX. Innovative Behavior

According to Axtell et al. (2000), the process of innovation starts with two main phases which is the initiation and implementation. The two phases are divided by the emergence of an idea of innovation. According to King and Anderson (2002), the first stage ends with an idea production and followed by the second stage where it ends as soon as the idea is implemented (Jeroen P.J. de Jong, 2007). The innovative behavior can be seen as a multi-dimensional, overarching model which takes over all behaviors in which employees are able to give their contribution to the innovation process.

Creativity is the involvement of more than just idea generation that is a combination of generation, promotion and application of new ideas (Yidong & Xinxin, 2013). The creativity of an employee has a close influence on the innovative behaviors. With high creativity, employees can enhance their performance of their work. Leaders need to pay attention to the implementation of creative ideas from both the leader and also the employees. Leaders can enhance creativity of employees by intellectual stimulation, stimulating knowledge diffusion, providing vision and giving support (Jeroen P.J. de Jong, 2007).

X. Thinking According to Mission

Leaders add value to companies by bringing awareness, change and cognitive restructuring which carries better results for the company through leading employee towards the company's mission (Conte & Novello, 2008). Leaders need to think and make decisions in line with the company's mission and goal. According to Drucker (1999), "the foundation of effective leadership is thinking through the organization's mission, defining it and establishing it, clearly and visibly." (Leaders' focus on followers' needs: Asian perspective on knowledge workers, 2013). The leadership style of contingent adaptation is required to meet employee's expectations on what makes a good leader. Besides that, leaders have to motivate employees by ensuring that they can relate to the corporate visions and also making sure they are part of the developmental processes by involving them (Singh, 2008).

XI. Motivating Employee

According to Georgopolos et al. (1957), employee productivity is assumed to be the result of employee motivation. The motivations were results from employee's goals that were based on their needs and also their perception of the path in meeting those needs (Abd-El-Salam, Shawky, El-Nahas, & Nawar, 2013). Companies should ensure goals are clear and remove

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barriers to increase employee's need to meet the goals. Leaders have to be knowledgeable on variety of motivational policies and match them according to different employees as not all the same motivation policy works for everyone. Leaders are to choose the right assumption for each employee, identify their interests and provide chances for employees to perform on projects they find rewarding (Abd-El-Salam, Shawky, El-Nahas, & Nawar, 2013). Although this approach might be quite taxing, leaders can achieve employees that produce higher quality works, higher performance and better satisfaction as a result.

XII. Discussion

As many scholars has discussed, leaders need to possess great skills in this changing environment to lead employees towards giving a great performance. Not everyone is gifted with perfect leadership skills and this requires leaders to learn the right way into becoming a great leader. First impression is always the foremost important thing in meeting for the first time as it will be a memory which will be vivid. The first impression of a leader on his/her employee is equally as important as the first impression of an employee on his/her supervisor. By having good impressions of each other, the path towards achieving a good performance has become multiple times smoother. The leader with a good impression of his/her employee will view them in a positive manner. Even in times where an employee makes a mistake, the leader becomes more tolerant towards the mistake. It gives the employee a chance to redeem himself and to work harder next time. As for an employee, a good impression of his/her supervisor will boost his/her efforts in work; have better communications on work related topics and thus improving employee's performance. However, leaders should not sidetrack on his judgment on whether an employee is actually performing well or underperforming. Humans might tend to misjudge to fit their believe and making sure they are right; for example in a situation where a leader will look past a wrongdoing of an employee because he/she wants to believe he/she has made the right positive first impression on the employee. Leaders need to have rational thinking to ensure he make the right judgments and decisions.

In this competitive economy, innovation is a way to staying alive. Instilling creativity among employees in order to generate innovation is very important. Leaders need to set an example by being creative so employees will follow on the lead. Actively making employees participate in projects, discussions and decision making can enhance the creativity of employees. With decentralization, the gap between managers and supervisors has become smaller. Leaders communicating actively with employees, getting their ideas and accepting their suggestions can trigger employees to think more creatively. Employee will perform even better with their creative skills being put into use. Most of the latest skills involve in understanding employee's emotions, motivating them and creating a closer relationship with them. Creating a good relationship with employees is definitely a good thing which can help improve employee's performance.

XIII. Conclusion

The secret to a successful company is having great leaders. Almost all of the companies listed in the Fortune 500 have exceptional leaders who have the right behaviors in making decisions and leading the company and employees to success. Leaders are important in guiding employees into the right path. Having the right behaviors and skills are vital to ensure employees have good performance. As time passes by, there are many things that change. Hence, it is important to change according to environment and not get caught away. It is important that leaders evaluate themselves, checking on themselves if they have the new required skills needed to lead employees into performing better. Leaders will need to have proper first impressions on their employees, a sustainable leadership model, emotional intelligence, bottom-up approach, leading employees instead of managing them, be ethical, has transformational leadership, practices innovative behavior, think according to missions and motivate employees.

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Public Sector Unit: The Tacit Dimensions

By Dr. Sribas Goswami
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Abstract- This paper throws light on some burning issues of human resource in coal mining sector in contemporary West Bengal. Expansion of coal mining to a large scale is required and it presents enormous challenges not only in ensuring safe and efficient resource extraction techniques, pollution control and roadway / railway infrastructure development, but most importantly making the coal industry responsive to emerging social issues related to coalmining. Enormous challenges in this regard include transparent and accountable community consultation, involvement and participatory development, responsible resettlement and rehabilitation of coalmine-affected populations, and reassessment of numerous Government regulations, policies and legal mechanism relating to land acquisition and mine operations. Beside land acquisition factor entire coal mining sector is now facing some problems related to internal human resource management. This paper aims to focus particularly on some underlying issues relating to human resource on one side and society's reaction against land acquisition on the other.

Keywords: *exploitation, dilemma, displacement, fundamental rights, human rights, indebtedness, social justice.*

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Keywords: exploitation, dilemma, displacement, fundamental rights, human rights, indebtedness, social justice.

I. Introduction

The aim of this research paper is to present a selective introduction to key concerns in the work and employment conditions in Coal India Ltd. It unfolds theoretical perspectives, comparative, and historical to bear on understanding contemporary transformations of occupation and employment in the 'new economy', with particular emphasis on the Eastern Coalfields Ltd. where social organization and technological content have varied widely across time, space, and industrial sector[1]. Employment or paid work, by contrast, is essentially a social construction, whose boundaries in relation to other types of activity like household labor, leisure, superannuation, or unemployment are institutionally and culturally defined. In India like other social parameters , employment is also a social and legal category, which carries with it distinctive rights and obligations (at least for certain sections of the workforce), such as protection from arbitrary removal from office, subordination to administrative authority, procedures for collective representation, and entitle-ents to benefits like paid leave, pensions, and medical care[3]. Both the boundaries of employment and the position associated with it are thus historically contingent constructs which differ significantly from one public sector units to another, and are currently being renegotiated in response to a multiplicity of pressures, from globalization and technological innovation to the expansion of the service sector, demographic trends, and changing household/family structures[3].

It is very perplexing when PSU employees could neither perform the job easily nor they could remain in the job due to permanent indebtedness. Dilemma is a circumstance in which one must choose between two alternatives, it's a situation in which none of the alternatives offers escape. In vast area of Eastern Coalfield Ltd. major number of collieries is situated under this subsidiary of Coal India Ltd. The scenario regarding indebtedness seems to be same in all these coal belts. This disease has grabbed semi skilled and unskilled workers; however Clerical staffs have not been spared. A sizeable number of employees belong to SC (Schedule Caste) and ST (Schedule Tribe) category. Due to multiplicity of reasons many workers take loan from various sources (other than legal institution) with a high rate of interest, which may be 5 to 6 percent per month, means 60 to 72 percent per annum. Many moneylenders become prepared with their purse to trap the victims and the victims fall easy prey in their net. The problem begins with difficulty to repay the installment to the concerned authority and subsequent threatening of moneylenders. With limited income neither workers become able to pay money easily nor can they maintain their family happily.

The victims cry out for getting out from the crisis but their voices remain unheard and suppressed in the midst of affluent coal workers- the affluence which has been given birth at the cost of the blood of these bereaved. No social justice is there to attain to their crisis. No fundamental rights of the constitution come forward to their rescue. The victims sink in the darkness unfathomed. The workers have right to perform their duty with dignity and prestige and they have also right to look after their family satisfactorily. The right to food and water, housing, which includes resettlement and rehabilitation, access to education, access to provisions of health and healthcare, right to work, and access to information and the right to communication all these are form of social justice.

Another serious problem is up-rooting of people for the industrial expansion. This is becoming very serious issue for the policy maker day by day. Dislocation or up-root of settled people is widespread as well as hanging crisis in any coalmining area and obviously treated as an age-old setback of coalmining areas like Raniganj. North Searsole Colliery also faces all related issues due to coalmining activities connecting

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ecological as well as socio-economic degradation and resettlement of adjacent people. Relocation is a term used to explain the movement of persons or mass from one place to other, although the word can refer to intentional or unintentional human migration, it is frequently an euphemism for forced resettlement due to a few such activities. The rising demand for energy requires an extension and speeding up of coalmine exploration, production and processing in India. A huge ongoing 'social-challenge' for the coalmining industry is the difficulty of coalmining induced displacement and relocation in the present study area. Eastern Coalfields Limited (ECL) is taking special concern to provide openhanded package of compensation to persons affected by projects. But the complicatedness lies in the actuality that not only do the inhabitants lose their residence, but they are also deprived of the property and natural wealth that comprised their economic survival base. The natural resources are nonformal sources of earnings which are not often documented or recognized, and hence hardly ever compensated for. So, lots of environmental and social problems are generated due to such activities deliberately or unintentionally in coalmining areas. Other apprehensions due to coalmining-induced dislocation and movement are some of the socioeconomic, demographic and cultural complexities together with the changes in populace dynamics, physical condition impacts, economic disparity, addictions, and disappointment. All these are affecting not only financial, but moral, socio- cultural degradation, which are restructuring the prevailing lifestyle in holistic mode. Consequently, dislocation of rural communities along with religious, their long standing, cultural activities, economic and societal is inevitable. When coalmining occurs in property held traditionally by aboriginal community, mining activity gives rise to issue of social justice. Dislocation has a discouraging influence on societal bonds and psycho- cultural roots of the whole society, and leads to social and economic problems. The leaseholds for the under-ground coalmines are obtained from the landlords who grant coalmining authority the right for under-ground coal mining. The land for residences, dwellings and the connected activities are procured bit by bit from several sources while large segment of the surface land right remained under the control of cultivators and landlords. Under-ground coalmining in these vicinities is conducted with full liability of the surface safety by the authorities who normally maintain pillars as the natural support to the surface features. Escalating demand for opencast coalmining process requires huge land. These lands sometime are acquired at the cost of cultivable land. Coal mining has direct impact over agriculture in the study region and residual impacts of mining bring far reaching consequences[4].

II. Objectives of Study

Present study is an attempt to know the various causes of indebtedness among the employees of North Searsole Colliery. It is also intended to know the intrinsic factors motivating the workers for loan, which may be beyond the capacity to repay with high rate of interest and to know the socio-economic background of workers of this colliery. This study is to reveal those disguised people who are giving loan illegally with high interest rate on day light in front of administration. An attempt has also been made to know the process of modus operandi of moneylenders and relationship between giver and taker. One of the objectives is also to know the role of welfare/personnel department in understanding this problem.

III. Area of Study

The area of this study is North Searsole Colliery. It is situated in famous Raniganj coalfield in West Bengal, India and 9 km from Raniganj Railway station towards Grand Trunk road. It is one of the best collieries in ECL for production and good quality of coal. This colliery has manpower of 1061. Most workers belong to surrounding places and majority stay at colliery quarters. This colliery has opencast mining as well as underground mining. Here Public Sector Unit (PSU) stands for ECL.

IV. Methods of Study

This research paper is mainly based on primary data, which has been collected from 100 samples on the basis of interview schedule. Purposive sampling was used to choose the sample. All the workers are semi skilled or unskilled. An interview has also been taken from personnel officer of this colliery. Through participant observation with workers few data is collected. However secondary sources are also used for data collection.

V. Various Issues of Indebtedness in Coal India

In North Searsole Colliery all workers are involved in different job as per their skill and eligibility. Present context of study is about the semiskilled and unskilled workers. During study particularly it is revealed that those who have taken loan from any individual or private farm their condition is more miserable than those taken from legal sources. Most of the workers who have taken loan from any individual moneylender are taken in confidence. They are made to convince about reasonability of interest rate, which may vary person to person. Loan from moneylender is primary concern and focal point in the present study. The rate of interest is 5 to 6 percent per month, which means 60 to 72 percent per year. Due to illiteracy and inadequate knowledge these

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section of workers become soft victim of moneylenders. Most of the moneylenders do not belong to the colliery but they operate outside from the colliery. Their operation is clandestine their targets are fixed. They take pay slips, Identity card, PF / Pension books, Bank passbooks etc as mortgage before giving loan to anybody. Without these statutory documents nobody can draw their salary. They also obtain written agreement on stamp paper from the worker. During salary days workers are asked to pay initially the interest of loaned money. Gradually, it has been observed that the principle with the rate of interest exceeds the worker's salary. Few workers have multiple loans from several places. Paying off the interest every month to moneylenders has become unmanageable to them. Some of the workers have taken more than one loan only to avoid inconvenience from the first moneylender. This way they get trapped in the vicious cycle of loan interest.

Main causes for loan were marriage of family members, or for treatment of serious disease. But some workers regularly consume alcohol, drugs and have gambling habit. Those who have taken to fulfill situational exigencies seem to be more painful than the latter category. They have a strong sense of social prestige and fame. Moneylenders reach to them every month during salary. They take major part of worker's salary. If due to any reason workers fail to pay interest they are often threatened or even physically assaulted. During interview it was felt that workers were very much scared. On the way from home to the colliery either moneylender himself or his appointed person gives reminder to his prey. This happened to every person who obtained loan. This situation creates two fold problems. Neither the workers are free to perform their duty nor can they sit at home doing nothing. If they come to work places moneylenders harass them, if they sit at home the fear of termination from the job for unauthorized absence from duty drives them to restlessness. This is real dilemma. It becomes very difficult to choose either option.

Impact of taking loan can be identified with economical aspect in specific and social in general. The workers become less interested to work or they get gradually aliened from the work, from society and ultimately from themselves. This may be the real case of Marxian notion of alienation. In this way colliery's production is adversely affected on the one hand and social life of workers become hell on the other. Some time they become a psychotic patient. The high rate of absenteeism is observed among these category workers and this lead them to get unexpected charge sheet and termination from service subsequently. From the first hand experiences about the workers it has been observed that they can't lead a general smooth social life as others do. Their family life becomes worse. Their children are affected with parent's disturbance. Sometimes such workers resort to fasting for want of money and take food only once in a day. This is strange that a public sector service holder can't have stomach full food twice in a day far to speak about nutrition level. Past experiences revealed that some workers had committed suicide.

Apparently it seems that the workers are responsible for their own misfortune. They have chosen their own destiny. We all would agree that partially the workers are responsible for their misery. But what's about those who are openly borrowing money with high rate of interest? It is not only inhuman but a naked violation of human rights. Money lenders are operating openly, they don't hesitate to use unfair means to get back their money. Neither management plays a role to prevent them nor does civil administration think seriously on this matter. We can't deny the role of high profile racket monitoring behind the small moneylender. Throughout the colliery this loan giving business with high interest rate is on the increase. If this business could not be stopped in near future there might be a serious IR problem in the coal mining industry. Not only the worker's ignorance is responsible for this dilemma but also whole civil society is also responsible for this sort of problem.

Realizing their problem the workers take loan generally from legal authority such as Bank, co-operatives and PF. But low literate and illiterate workers often don't want to go through bureaucratic and administerative system to get a loan. So the easiest and fastest way to fulfill the situational financial exigency they go to moneylender. Here moneylender having nuisance value has a crucial role to misguide and often mislead such innocent workers. Moneylender make the workers understood that they have to pay only 5 to 6 percent interests. Which may seems to be lower than the nationalized bank also. They tend to confuse per month interest rate with per annum. But the moneylenders resort to jugglery of calculation of percentage of interest. Here neither worker has to pay a processing charge nor has to mortgage lots of documents. So they become easy victims. Generally these workers get a salary of about Rs.10, 000 per month. In this salary if they pay 60 to 72 percent per annum interest it is really difficult to maintain the normal family life, though it all depends on the amount of the loan. So every month workers have to pay the interest irrespective of the constraints. They may remain in empty stomach but interest should reach moneylender. The essential documents concerning payment have already been mortgaged to secure constant inflow of interest. In many cases borrowers have failed to pay some installments.

Thus the loaned amount gets multiplied for compound rate of interest. During the time of superannuation a huge amount of money from the borrowers is grabbed from his superannuation benefit like Provident fund, gratuity etc. As per the version of the management the gratuity cheque handed over to workers is ultimately collected by the moneylender well before it goes to

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concerned Bank for encashment. The amount in many cases is large. In some cases the workers don't turn up to collect their gratuity cheque because by the superannuation time the borrowed principle money with interest exceeds the gratuity amount. As information supplied by the authority such superannuated persons whose native place is far from colliery left the colliery without any information.

The role of local political party is not satisfactory in this regard. The trade union leaders are also silent. They were asked about this burning problem of workers but failed to answer logically. Leaders replied passively to avoid contradictions. They said that this was worker's personal matter and didn't fall into their jurisdiction. On the other hand the concerned officer has taken it as a serious IR problem. On their level they are making the workers aware about the far reaching consequences. Management has done some sincere effort to solve this problem between workers and moneylenders unofficially. In North Searsole Colliery this problem is getting momentum day by day. Due to high rate of absenteeism the management now awake from long sleep.

Social justice for these workers is like a myth[5]. Both the work place and home become unbearable for them. Neither they could remain silent nor could they cry. It is a paradox in which the workers become the worse victim of permanent indebtedness. Ultimately workers loose the right to work with dignity and right to look after the family freely[6]. Here one unwritten constitution works where no social justice functions according to the provision of law and the writ of the moneylenders runs here. An individual become puppet of another individual. It is said that the social justice is the guardian and protector of the interest of the socially handicapped, disable, poor, downtrodden and deprived section of people. The workers are in dilemma. Dilemma doesn't only exist outside or externally as has already been mentioned but dilemma resides within also. One-side workers feel inferiority complex within themselves, on the other side they find no place to redress their grievances. Taking loan or lending money on interest is not the violation of social justice. But social justice is violated when any one takes the advantage of weakness of another. When normal life is threatened by unwanted social elements, when life becomes burden, then the social justice seems to be a futility. From interaction one person revealed that he couldn't die unlamented, because if he remains alive, moneylender will not spare him to live peacefully under any circumstances. If he dies the family has to bear the burden of loan[7].

Thus the darkness of coal mining industry remains enveloped by dark. Everybody knows but no initiatives have yet been taken to eradicate this problem[8]. The problem in context is dynamic and multi-casual. From the worker's side awareness is required and from the administration side a vigorous proactive role should be initiated to prohibit such immoral and inhuman business. Colliery authority should simplify the loan sanction process and provide adequate amount of loan to meet up the urgent demands of its workers. The cases of those unfortunate drugs addicted and money abuser should be handled with sensitivity and sympathy. The help of NGO's may be sought to bring about a solution to the burning problem[8].

In Eastern Coalfields Ltd we can comprehend the present aspect of industrial relation adopted by the employer's end. These are promoting and developing amiable labour-management relations. They are enhancing the economic condition of the employees by improving salary, benefits and by helping the employees in developing sound financial plan and regulating the production by diminishing industrial conflicts through legal control. The administration has given endeavor to socialize the industries by providing an opportunities to the personnel to have a say in the administration and decision-making. The executive is also keen to improve upon workers skill with a view to solve their problems through mutual negotiations and consultation thereby sustaining industrial democracy[9].

In West Bengal employers' associations are desirous of associating themselves with different administrative agencies taking into consideration the general, social, public and economic issues affecting employers and workers relations. In West Bengal, Eastern Coal Fields Ltd has taken part in developing many rural projects in the surrounding villages such as community development in the form of constructing community well, clubs, hospitals, schools, rural roads and play grounds through CSR fund[10]. The ECL administration has extended amenities of electrification in many villages. A good percentage of coal mines workers reside in the surrounding villages of the mines who continuously share their views with the masses of coal mining society. All these happened for very good industrial relation.

Land degradation and consequent land loss is the unique type of environmental effect associated with mining and is generally not encountered in this scale in any other industrial activity[11]. Opencast mining in scale and in intensity creates most severe form of land degradation and therefore, coalfield communities all over the region hold strong views against open casting as mining operations. In India the coalfield community's resistance towards land acquisition for an opencast project has delayed the starting of many projects. Such resistance has been most intense in the state of west Bengal[12]. A number of opencast projects in west Bengal including '*Sonepur Bazari*' opencast project is considerably delayed because of the local citizens' resistance toward the land acquisition. The reason of such resistance from coalfield community being most intense in West Bengal may be understood from a perusal of the history of Indian coal mining itself[13]. The industry and the government should keep this possibility in mind and should devise schemes to fulfill local aspirations.

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It is a difficult task to estimate the number of farmers and agricultural workers displaced or affected due to land loss and land degradation. From the relevant data it is revealed that in *Satgram* area alone the number of cultivators decreased from 4103 in 2000 to 1753 in 2010, which means a decrease in cultivators of 2350 in a span of 10 years[14]. It may be noted that in *Asansol*, *Salanpur* and *Katras* development blocks (all located in coalmining area) there have been a decrease in number of persons employed in agriculture by approximately 3300, 3500 and 2600 respectively over a period of ten years (2000-2010) there has been increase in agricultural employment in non mining areas. In actual terms, it is not that a particular group of agricultural labours become completely redundant, but the partial loss of occupation pervades in the agricultural labour class[15].

VI. Conclusion

Indebtedness is a social stigma. It neither allows people to live peacefully nor does allow dying peacefully. The practice of loan in North Searsole Colliery is not only illegal but also inhuman. Providing loan with high interest rate is a manifestation of cruel capitalistic culture. It's exploitation against humanity. Few clever persons are taking advantages of the simplicity and weakness of workers. Most of the workers who have taken loan from moneylenders belong to SC and ST section. They are lagging behind on the social ladder. Gradually the borrowers get into the trap of the moneylenders. However those fortunate who could manage to pay off their loan completely could not find a place in the process of further sustainable social development. They couldn't socially be rehabilitated. Those who are still in the service are limping with the burden of interest and are drifting in the darkness. Scared, physically assaulted and mentally humiliated sections seem to have no bright future. Social justice appears to be making a mockery with the fate of these unfortunates. However no formal steps have been taken so far by the competent authority to stop this malpractice going on inside the colliery. Few formal complaints have been recorded but due to invisible reasons concrete action to stop this business not yet been taken.

Another important issue is dealt with importance regarding mining induced displacement. Mining has degraded the land not only by denuding it of its forest cover, and choking up the natural drainage lines, but has also destroyed the agricultural potential of this region. The human dimensions of these physical impacts have been marginalization of the poor tribal and scheduled caste groups from the mainstream, formal economy, displacement of peasantry, the growth of small scale, informal industries, and illegal coal mining under local initiative[16]. A degraded environment has fore closed alternative employment opportunities especially in the forestry and agricultural sector, leading the poor people to unlawful activities[17]. These two bifocal problems should be taken seriously otherwise in near future insurgency may breakdown from the employee side from inside Coal India and outbreak by the local people may happen.

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The Relationship between Cultural Diversity and Workplace Bullying in Multinational Enterprises

By Chua Zi Leng & Dr. Rashad Yazdanifard
Upper IOWA University, Malaysia

Abstract - Workplace bullying has become a prevalent phenomenon for employees in multinational enterprises. As a result, employees' job performance and mental health would be affected significantly. It is important for top management team to neutralize and reduce bullying among cross-cultural employees. This paper will focus on the relationship between cultural diversity and workplace bullying in multinational enterprises.

Keywords: cultural diversity, workplace bullying, negative consequences, performance.

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Keywords: cultural diversity, workplace bullying, negative consequences, performance.

I. Introduction

Workplace bullying is mistreatment of behavior by managers or co-workers in the workplace. Leymann studied that bullying may be related to poor management and work condition (Tambur & Vadi, 2012). Working bullying is divided into two groups; which are work related bullying (WRB) and physically intimating bullying (PIB) (Power, 2011). WRB is giving unlimited workload and overtime from the manager whereas PIB is not respecting, and shouting at employees. People from different culture and background would have different degree of acceptability to the workplace bullying, especially multinational enterprises. According to Lutgen-Sandvik et al. (2007), 5-28 percent of workers in western countries have been bullied (Cooper-Thomas, Gardner, O'Driscoll, Catley, Bentley, & Trenberth, 2013). Multinational enterprises consist of employees that come from different culture which shape cultural diversity in cross-cultural organizations. Today, cultural diversity also encompassed race, ethnicity, national origin, thinking style, and position in organization hierarchy. Workplace bullying is one of the factors that contribute to low productivity and performance of an organization. This would lead to a few negative consequences such as high absenteeism, decreased job satisfaction, great turnover, low productivity, or quit of job (Dumay & Marini, 2012). Thus, management has the responsibility to neutralize workplace bullying between cross-cultural workers.

II. Cultural Diversity

According to Global Leadership and Organizational Behavior Effectiveness (GLOBE), culture is defined as "shared motives, values, beliefs, identities, and interpretations and meanings of significant events that result from common experiences" (Power JL, 2011). Multinational companies are comprised of cross-cultural workers from different countries. Cultural differences have brought many problems to the company either through the relationship between employees and employers or performance of job. It is important to understand the cultural differences among employees that from different nationality so that they can work under a good working condition and facilitate the organization operation smoothly. The cultural differences are distinguished into collectivism and individualism, acceptability of workplace bullying, gender, age, and disability. For example, Asian and Southern American culture are more toward fully devote themselves to the company where as Western countries like America and British culture emphasize on working balance (Dimitrov, 2012). Thus, top management team play an important role in managing cultural diversity in multinational company.

III. Acceptability of Workplace Bullying

There are three orientations that showed that different cultures have different level of acceptability of workplace bullying. Humane orientation pursues of compassionate and concerns of living life of workers. People that from humane orientation culture believed that compassionate and concern to workers are important in workplace. Workplace bullying usually would not happen with people that are human orientation. Performance orientation emphasizes more on ability to work rather than relationship with people. Employers would exert higher pressure or shout to the employees so that they can complete their works effectively and improve in job performance. Therefore, they could accept workplace bullying as well as their goals are achieved. Future orientation focused on long-term view where gathering and interaction can improve relationship with employees regardless of race, age, or culture. Employer would reward employees frequently if they achieved the goals by giving holidays, presents or gathering (Power JL, 2011).

IV. Collectivism and Individualism

Collectivism and individualism also contributes to workplace bullying. Workers that are collectivists tend to work in groups and promote in cohesion of social

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groups. On the other hand, individualism emphasized on independence and achieve one's goal that is opposite from collectivism. Workers that are individualistic found boundaries with collectivist workers that tend to work together and their common language, beliefs, and perspectives. Additionally, power distance is common in Asian countries than western countries. Workers that do not agree with unequal power distribution would like to react negatively to the hierarchy structure of the firm. Western workers are more tolerate with ambiguity and work with risk. On the contrary, Asian workers prefer to be uncertainty avoidance with clear decisions and consensus (Loh, Restubog, & Gallois, 2009).

V. Gender Differences

Most of the organizations are managed in masculine style where top management teams are mostly men. Since long time ago, men are having higher privilege and labeled as the one who have higher ability to manage company compared to women. It is because male and female have different characteristic in management style. Men are more toward aggressiveness, independence, risk taking, and higher control over working environment (Syed & Murray, 2008). On the other hand, women are view as emotional, risk adverse, and emphasize on relationship. According to Fischer and Glejim (1992), communication style of gender is distinguished as women would like to improve relationship through communication while men are straight forward into what they want. Men would speak firmly in the meeting so that everyone is under his control and women perceptions are mostly undervalued and less control over employees (Syed & Murray, 2008). However, studies also showed that there no differences between male and female leadership where women also have the ability to manage the organization as what the male did (Snaebjornsson & Edvardsson, 2013). Physically intimating bullying such as sexual harassment mostly happened on women.

VI. Bullying

Most people have accepted workplace bullying as an inevitable part of multinational organizations. Unfortunately, the level of harm of bullying also increases at the same time workplace bullying become prevalent and this may highly affect the performance of employees (Vickers, 2009). People spent most of their time like eight hours in the workplace. Thus, anyone in the organization could be the victim or perpetrator. Baruch (2005) and Ferris et al. (2007) studied that position and power in firm's hierarchy is the factors that contribute to workplace bullying where powerless workers always were the target of bullying from managers (Dumay & Marini, 2012). However, workplace bullying could also occur among co-workers or subordinate. Workers of same culture like to talk in their own group using their native language which indirectly forms bullying that isolated other co-workers (Beirne & Hunter, 2013).

Workplace bullying also associated with gender discrimination. Women generally have lower position and power than men in their workplace as most of the men underestimate the working ability of women (MacIntosh, O'Donnell, Wuest, & Merritt-Gray, 2011). According to a study, men managers have more control over the working environment compared to women managers in Malaysia managerial workforce. Besides the ability to work, women have the family burden that they need to take care of family and work equally. Therefore, men thought that women cannot pay full attention to the works. (Ismail & Ibrahim, 2008). As a result, women always are the target of bullying in the workplace. On the other hand, studies also discovered that more men are reported as the victims in workplace bullying than women. Men typically hold a higher position such as managerial position, face more work-related stress and social manipulation from managers and co-workers (Salin & Hoel, 2013).

VII. Organization Structure of Multinational Companies

Multinational company is a large and complex company that distributed in around the world and nation with different national origin, race, skin color, religion, disabilities and age (Kapoor & Sherif, 2012). Management is crucial to integrate all departments in order to facilitate the structure of organization. However, it is also important to emphasize on different national culture with different ways of management. According to Campbell and Strikwerda (2013), multinational company coordinates different dimension into one integral system such as same decision of making profit, management team, and opportunity of capital investment. Alignment of employees by top management in ethno-national companies also would affect the optimal performance of companies (Lee, 2013). There are some criticize statements of multinational companies. Local residences enjoy having higher chances in recruitment where they fitted the requirements in their organizational structure (Lee, 2013). Top managers prefer to bring their own staffs so that the structures are under their control and well manage (Martins, 2007). Gaikwad (2010) stated that cultural diversity is an advantage towards an organization. They are benefited from creative thinking, different thinking style, special skills, and language proficiency that lead the organization into breakthrough and higher level among same industries (Kapoor & Sherif, 2012).

VIII. Negative Impacts on Employee Mental Health

The negative impacts of employees in the workplace have been arising as the economy became

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globalized. It is definitely related to the workplace bullying that caused by cultural diversity in multinational companies. According to Bryant, Buttigieg, & Hanley (2009), the consequences of bullying are ranged from crying, refuse to go to work to more serious impacts such as depression and suicidal thought. Appelbaum and Roy-Girard (2007) and Giorgi (2010) also studied that mental effects such as anxiety, work-related stress, impaired judgment, and loss of memory, post-traumatic stress disorder (PTSD), low self-esteem and concentration disorder are the negative impacts of workplace bullying. (Appelbaum, Semerjian, & Mohan, 2012; Giorgi, 2010). When victims are exposed to long term bullying, they may suffer from sleeping disorders like insomnia which indirectly affect their workplace performance. In order to aid in sleeping, they need more sleeping pills, drugs or alcohol compared to those that do not experience bullying (Giorgi, 2010).

However, there are also some employees feel shame to admit themselves as victims of sexual harassment. This can affect the results of studies on relationship between cultural diversity and workplace bullying (Power JL, 2011). Organization management team has paid high concern to employee performance so that organization operates effectively and profit can be maximized but workplace bullying has greatly influenced the firm's performance (Devonish, 2013). High absenteeism, decreased job satisfaction, great turnover, low productivity, or quit of job may occurred when employees are under high level of working stress in very long time (Dumay & Marini, 2012). Employees would relive their stresses and dissatisfaction on their works by purposely against managers (Devonish, 2013).

IX. Ignorance from Human Resource Management

Human resource management (HRM) in an organization plays an important role in reducing workplace bullying to facilitate the operation of companies. One of the reasons the case of workplace bullying is employers pay less attention to bullying such as fail to identify bullying, blame victims, tolerate bullying behaviors, fail to deal with bullying, and protected by senior manager (Cooper-Thomas, Gardner, O'Driscoll, Catley, Bentley, & Trenberth, 2013; Hutchinson, Vickers, Wilkes, & Jackson, 2009). Besides that, workers that are reported to HR managers did not get response or action from them but being labelled as difficult people or troublemakers in the team. This caused the victims lack of support and isolated which then reseign from the job (D'Cruz & Noronha, 2010).

X. Management to Neutralize Workplace Bullying

HRM is responsible to create a good working environment for employees so that the organization is operated smoothly. Resch and Schubinski has investigated a few preventions of workplace bullying which is improve manager social skill, conflict management, awareness of bullying, freedom of speech and modify working structure . (Mikkelsen, Hogh, & Puggaard, 2011). Management with appropriate intervention may reduce workplace bullying and improve relationships among workers which cause them to work harder to improve performance of company (Cooper-Thomas, Gardner, O'Driscoll, Catley, Bentley, & Trenberth, 2013). Research by Nelson (2014), being able to recognize bullying by employers is the key to cope with it. Employer have to identify the real reason and deal with it with appropriate actions once they identify bullying among workers. Once the action is effective, negative impacts like employees's behaviors and mental ills will be reduced although bullying still occurred in the workplace (Cooper-Thomas, Gardner, O'Driscoll, Catley, Bentley, & Trenberth, 2013).

XI. Employee Perceptions of Cultural Diversity Management

Employees may have low self-esteem or isolated due to their race and national origin. Hence, top management must pay high attention into employee perceptions regarding to the cultural diversity either through the organization structure or formal or informal communications. It is important for management to recognize employee perceptions that foreign workers are supported and integrated into informal networks. Once they recognize management support, they will feel integrated into their informal network and work in a positive working environment. Communication is the one of the obstacles that caused misunderstanding between employees as foreign workers are not familiar with the local language. Managers can encourage freedom of speech among employees so that they can express their problems to avoid miscommunication and conflict in order to create a good working condition. (Leveson, Joiner, & Bakalis, 2009). Management also has to apply different rules and policies for foreign workers that may have different regulations such as employment law in their national countries (Zheng, Hyland, & Soosay, 2007). Based on their national laws, they would have different perspectives on organization structure and workers policy that will arouse dispute of organization management.

XII. Affection Commitment

Affection commitment is another key to maintain good working environment. Employees that feel they are valued by company, belonging to the network, and supported by policy prefer to stay rather than quitting job (Leveson, Joiner, & Bakalis, 2009). Meyer and Allen (1991) stated that employees that are belonged to the network of company think that continue to work in the

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same company is better as the opportunity cost of changing workplace is unworthy (Leveson, Joiner, & Bakalis, 2009). Ashforth (2000), Van Vugt and Hart (2004) studied that employees are willing to commit to the company as they recognized their values are similar to the objectives of organizations (Liu & Lam, 2014). Thus, affective commitment by the company can reduce employee turnover. Employees will pay more effort to achieve their goals when they decided to stay in the company. According to Meyer and Herscovitch (2001), improvement of job performance of employee is because of the opportunity cost of leaving and the normative commitment to pay more effort to the organization (Liu & Lam, 2014). On the contrary, Meyer et al. (2006) argued that it is due to the desire of motivation rather than opportunity cost that motivate employee to work harder to achieve goals (Liu & Lam, 2014). Hence, job performance of employees can be improved with affection commitment.

XIII. Perceived Organizational Support (POS)

Organizational support is defined as employee work efforts are support by manager, workers are treated under same and justice rules, and encourage and reward them for contributing to the organization (Arnold & Dupré, 2012). Employees will be rewarded and valued by the organization if they have paid additional effort to their works. This motivates them to work harder and loyal to the company when they recognized their efforts are being valued by employers (Leveson, Joiner, & Bakalis, 2009). POS is vital in reducing employee working stress. Working stress, the cause of psychological illness is aroused when POS is low where organization did not value their efforts and contributions (Arnold & Dupré, 2012). When POS is low, workers efforts are not valued by the company can indirectly lead to workplace bullying. Employees would not respect to foreign co-workers as they perceived that managers did not support and value foreign workers efforts. POS is also associated to employee emotion. Employees are in positive emotion when POS is high whereas they are in negative emotion when POS is low. According to Eisenberger et al. (1990) and Maertz (2007), positive emotion encourages employee to devote their efforts to company as well as improve the relationship between employee and the managers (Newman, Thanacoody, & Hui, 2012). Employees are willing to repay and taking risk to organization once they perceived organizational support and trust is built between them (Neves & Eisenberger, 2014). Thus, they think it is worthwhile and fully devote effort to company even though there is higher chance to be failure.

XIV. Discussion

As a result of the research, cultural diversity would influence the degree of workplace bullying in multinational companies. Each aspect of cultural diversity such as thinking style, national origin, gender, age, race and ethnicity have a certain degree of influential that lead to workplace bullying. This phenomenon has divided into work-related bullying (WRB) which is unlimited workload and unreasonable overtime and physically intimidating bullying (PIB), uncomfortable eye contact and not respect to opposite sex. Cross-cultural workers that come from different background would arouse conflicts when they work together such as misunderstanding and miscommunication. Subsequently, this would lead to workplace bullying that affect workers living life and mental behaviors when conflicts are unresolved. For instance, local workers may interpret the sentences foreign workers delivered in different perceptions as they came from different background and not familiar with local language. People also prefer to speak with their native language and this can result in isolation of cross-cultural employees. The victim of workplace bullying also could be anyone since employees spend longer time working together than staying with family. However, the results of number of victims may vary with results because some victims feel ashamed to admit they are the victims of sexual harassment.

Top management team has the responsibility to solve this problem by applying with appropriate method to neutralize or reduce workplace bullying. Workplace bullying would increase substantially if there is no action by top management team. Negatives impacts such as high absenteeism, decrease job satisfaction, anxiety, depression, and low self-esteem are the result of workplace bullying (Appelbaum, Semerjian, & Mohan, 2012; Giorgi, 2010). Employee perception of cultural diversity, affective commitment, perceived organizational support (POS) can be used by managers to reduce workplace bullying. It is important for employee to express their problems freely so that they can work corporately to improve productivity and job performance. According to Gaikwad (2010), it is an advantage to have cross-cultural workers in an organization compared to normal organization as they can provide creative thinking, language skills, different thinking style, and special skills.

XV. Conclusion

Multinational company engaged in international business across the global. It should be advantage to have cross-cultural workers in organization to improve the job performance. Unfortunately, mismanagement by top management team could change this advantage to a weakness for the organization. Workplace bullying is an obstacle to prevent company from functioning smoothly and expand to a higher level. It is vital for manager to neutralize and reduce workplace bullying. Stereotype is the major factor that leads to workplace

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bullying where local workers believed that foreign workers are the burden for them in workplace. Stereotype will then turn into discrimination which negatively judging all the foreign workers. Workplace bullying would cause negative impacts when management did not perform action effectively. Psychological health in this modern technological era has increased significantly among workers due to working stress and workplace bullying. Depression and suicidal thought are the major factors of suicide in the society. Thus, top management team in multinational organization must figure out effective ways to create good working condition which indirectly reduce employees' psychological and mental health. In other words, manager can show their support to encourage workers to integrate and strengthen their bond by giving affective commitment organizational support, and employee training to understand each other culture for the benefits of organization.

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Management Effectiveness Evaluated by the Achievement of Goals Established in the Reward System and its Connection with Psychological Empowerment

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Abstract- The study investigates the management effectiveness measured by the achievement of the goals established in the reward system for employees and its relation with psychological empowerment in a multinational company. Descriptive study with qualitative and quantitative approach was performed in an American company, based in Brazil. For data collection we used a questionnaire adapted from Spreitzer (1995). Data analysis used descriptive statistics, content analysis, and financial information published on the Stock Exchange of New York. The conclusion presents relation between management effectiveness measured by the achievement of goals established in the reward system and psychological empowerment.

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MANAGEMENTEFFECTIVENESSEVALUATEDBYTHEACHIEVEMENTOFGOALSESTABLISHEDINTHEREWARDSYSTEMANDITSCONNECTIONWITHPSYCHOLOGICALEMPOWERMENT

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Management Effectiveness Evaluated by the Achievement of Goals Established in the Reward System and its Connection with Psychological Empowerment

Sabrina Nascimento

Abstract- The study investigates the management effectiveness measured by the achievement of the goals established in the reward system for employees and its relation with psychological empowerment in a multinational company. Descriptive study with qualitative and quantitative approach was performed in an American company, based in Brazil. For data collection we used a questionnaire adapted from Spreitzer (1995). Data analysis used descriptive statistics, content analysis, and financial information published on the Stock Exchange of New York. The conclusion presents relation between management effectiveness measured by the achievement of goals established in the reward system and psychological empowerment.

I. Introduction

The management capacity of the organization can be crucial so it can achieve its strategic objectives and the performance evaluation of its employees has as one of its functions to measure the level of this ability. The performance depends not only on external factors such as global economy, consumers or the market in which it operates, but also internal factors. The way their managers run their activities and, as a consequence, business is also essential for a smooth organizational performance, which results in management effectiveness (NASCIMENTO; REGINATO, 2009).

The management effectiveness depends on useful information to provide support for managers' decisions. On the other hand, these managers, depend on information not only for the management itself but also for the operation of various activities necessary to achieve the goals and organizational objectives (FINKLER; WARD, 1999). This information has its origin in the management system and performance evaluation used by the organization. The evaluation system should demonstrate the real performance potential and the deviations and their causes as well, with the needs and opportunities for improvement and the possibilities to adjust expectations and standards previously established by the organization (PEREIRA, 2001). To Spreitzer (2007), to become successful in business environment, organizations need knowledge, ideas, energy, creativity and empowerment of each of its employees, whether strategic or operational level. Therefore, organizations need to relate the behavior of its employees to the reward system adopted. The reward system needs to be properly structured as it can positively impact the company's management effectiveness when individuals receive continuous feedback on their performance (LAWLER III, 2003).

According to Drake, Wong, and Salter (2007), key aspects of performance feedback and reward systems may have a significant impact on employees' psychological empowerment through the perception of work motivation and individual performance. For the authors, the psychological empowerment is associated with management effectiveness of organizations when the financial return has a significant and positive effect on the perceived impact of employees.

Finding mechanisms that measure the psychological aspects of the employees has become a growing need in the organizational environment, especially the psychological empowerment. In this direction emerges the questioning which guides this research: What is the connection of management effectiveness measured by the achievement of the goals established in the reward system for employees with psychological empowerment? The study aims to investigate the management effectiveness measured by the achievement of the goals established in the reward system for employees and its connection with psychological empowerment in a multinational company.

For that reason, we elaborated the hypothesis of this research: H - The psychological empowerment according to Spreitzer's model (1995) is related to management effectiveness in the studied company. Regarding management effectiveness in Spreitzer research (1995) for U.S. companies, the results point to a significant correlation among effectiveness and psychological empowerment and innovative behavior.

This study begins with this introductory section, in the sequence presents the conceptual foundation which supports the study. Followed by methodological procedures adopted in the research and analysis of the

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research results. Finally the study conclusions and recommendations for future research on the topic.

II. Management Effectiveness and Achivement of Goals Established in the Reward System

The meaning of organizational effectiveness lies in the business continuity and sustainability, monitored by the organization's performance. Pereira (2001) believes the organizational effectiveness is related to the performance evaluation present in the management process in the organization. This allows conclusions about the quality of a particular performance, but mainly to boost quality - effectiveness and efficiency – considered ideal and desirable.

The perception of organizational effectiveness is closely associated with management effectiveness, depends directly on one another. An organization does not ensure its continuity without the aid and subsidies provided by the human resources available to it.

This research is affiliated to the concept of management effectiveness presented by Spreitzer (1995), who understands it as the degree that a manager meets or exceeds the expectations of his/her performance in the working environment - in which capable managers consider themselves competent and capable enough to influence their subordinates significantly in order to proactively conduct their activities . From this perception managers can anticipate problems and make their employees to become more independent, making them more effective.

Spreitzer (1995) mentions that management effectiveness can be measured by the standards of performance, peer comparison and global performance. So that organizations can assess their management effectiveness, they must use the goals established in the reward system and performance evaluation, adopted from their management control.

Organizations set goals in order to improve or achieve its strategic objectives. The goals serve as a control instrument, that managers use to monitor the company's performance in the long run and use them to monitor the employees performance in the short term (GRIFFIN; MOORHEAD, 2006).

The motivation comes from the conscious intentions and goals of employees. When setting goals for their employees in the organization, managers must be able to influence their behavior. The degree of difficulty of a goal is linked to the intensity of the challenge and the effort required achieving it. If employees work to achieve them is reasonable to conclude that they worked more diligently. However, managers should take be careful in preparing goals not to make them unattainable and discourage their employees (GRIFFIN; MOORHEAD , 2006) .

The employees values and motivation are important to guide and direct individual behavior, which in turn may have an impact on the performance or not of these employees (STERLING; BOXALL, 2013). Performance is seen as the result of what is perceived when employees perform, achieve and produce to perform their tasks properly (FREZATTI; ROCHA; NASCIMENTO; JUNQUEIRA, 2009).

To achieve a desired outcome or performance, the goal setting becomes a parameter which drives this process. Frezatti et al. (2009) argue that setting challenging goals or apathetic, or goals that are not understood or sufficiently clear can directly affect not only the managers remuneration, as well as their commitment and interest at work or even the their commitment and interest for the organization. It is realized the importance of involving managers and employees in the preparation of individual performance goals in order to make them more committed and motivated in achieving them.

Several research that deal with goal determination, such as Robbins and Coulter (1996), demonstrate the superiority of establishing specific and challenging goals working as motivational forces, rather than goals that can be easily reached by employees. Studies highlight if it is encouraged employees participation in determining their own goals, it is expected acceptance in more difficult challenges, but it is not always recommended employees participation in the formulation of individual goals.

Nascimento and Reginato (2009) argue that it is important to carry out performance evaluation that monitors the achievement of organizational goals. The practice of promoting the image of employees who excel in performing their functions entails a form of reward that motivates them to perform their activities better. Organizations should seek a balance in preparing the goals stated in their performance evaluation programs or reward in order to align the values and motivation of employees to the organization strategic objectives.

The results of the employees' individual performance evaluation are used to decide and justify the distribution of rewards in the organization. The assessments help managers make decisions about training, training programs and develop improvement plans that meet the needs of their subordinates. The data generated can also be used to predict future needs for human resources, management succession planning and guide other activities (GRIFFIN; MOORHEAD, 2006).

Frezatti et al. (2009) emphasize that a reward system or control system has four phases: a) establishment of standards, b) comparison of real performance with the expected c) identifying any deviations, and d) implementation of corrective actions when detecting the need for it. The presence of these phases is critical to assist managers in aligning the process of their employees' individual performance evaluation with the

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organization strategic planning, more specifically in operational terms in order to maintain organizational sustainability and management effectiveness.

Relate the achievement of goals to the reward system used by a company in the management of its employees has become a common practice in the organizational environment. This is a system that "clearly identifies the performance and improves the perception of fairness by the manager. This can be seen as a control network formed by several connection cycles, which requires a macro orientation from the organizations "(Frezatti et al. 2009:160).

It is inferred that management effectiveness is related to how managers choose the use of management control to monitor and manage the achievement of the goals established in the reward system or performance of the organization in order to provide continuity for a company.

III. Psychological Empowerment

Among these new concepts and methodologies aimed to analyze the behavioral aspects of individuals, arises empowerment, first introduced in the '80s, becoming one of the most promising concepts, but one of the least understood business area (BLANDCHARD; CARLOS; RANDOLPH, 2001). Moorhead and Griffin (2006:142) characterize it as the process by which employees "define their own work goals, make decisions and solve problems within their sphere of responsibility and authority."

The psychological empowerment corresponds to a set of psychological states that are necessary for individuals to gain a sense of control in relation to their work, in which, instead of concentrating their efforts on management practices that share power among employees at all levels hierarchical, focuses on the work experience of these individuals. The psychological perspective of empowerment is related to the employees personal beliefs in relation to their role in the organization (Spreitzer, 2007).

Siegall and Gardner (2000) argue that the empowerment concept is directly aligned with organizational effectiveness through the intelligent use of the company's human resources. Zapelini (2008) asserts that empowerment is present in the transfer of power to a social group and in the ability of social actors perform self-assessments according to goals and procedures pre-established for themselves.

In a comprehensively way, in recent years companies have sought ways to expand and encourage empowerment in the organizational environment (GRIFFIN; MOORHEARD, 2006). Study aspects related to employee empowerment has become essential for organizations facing the need for constant change and learning that permeate the global environment of business (DIMITRIADES, 2005).

Spreitzer (1995) aimed to develop and validate a multidimensional measure of psychological empowerment in the work environment starting with the creation of four cognitive dimensions: significance, competence, self-determination and impact. The research was based on the theory of Bandura's studies (1977), Conger and Kanungo (1988) and Thomas and Vethouse (1990), using the technique of structural equation modeling. She exained 393 managers of various units of an industry and 128 employees at the operational level of an insurance company, both companies are American. The research highlights its contribution by providing a conceptual definition of psychological empowerment and its measurement in the organizational context, and provides evidence for the construct validity and demonstrates its relationship with a number of psychological antecedents.

IV. Research Methodology

The descriptive study with qualitative and quantitative approach was performed through a case study. The study is classified as descriptive to ascertain the perception of psychological empowerment on employees and company managers about management effectiveness measured by the achievement of the goals established in the reward system for employees and its relation with psychological empowerment in a multinational company.

Regarding the case study, according to Yin (2003:21), research of this nature must "preserve the holistic and meaningful characteristics of real life events." To Martins and Theóphilo (2007:61), "the researcher has no control over the events and variables, aiming to learn the whole of a situation and critically, describe, understand and interpret the complexity of a case."

The research is characterized as cross-sectional to collect information about the variables at a point of a timeline, specifically the period from September to November 2010, with a qualitative approach. Survey participants belong to a multinational company established in southern Brazil. This multinational company has factories located in all continents and distributed in 14 countries. However, in the Brazilian unit analyzed, the corporate name will not be revealed in order to preserve their goals and strategic information.

The company subject of this study was chosen by the feasibility of access to the reward and performance evaluation system data used in the company. It was also selected due to the origin of its capital, which is American. Presumably some cultural aspects may resemble Spreitzer (1995) study, held in American companies.

To collect the data it was used two types of research instruments: a) a questionnaire adapted from Spreitzer (1995), composed of 24 questions with seven-

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point according Likert scale to identify the perception of the company's employees on the psychological empowerment; b) three scripts of interviews, applied, respectively, to the human resources supervisor, financial accounting manager and import and export supervisor, to assess managerment effectiveness dimensions (performance standards, peer comparison and globall performance) proposed by Spreitzer (1995).

Three managers were contacted to conduct interviews. The financial accounting manager and the import and export supervisor were interviewed regarding access to information on the employees' individual performance and management effectiveness. The human resources supervisor was interviewed about the reward system and access to information on individual performance, which variables are directly related to this study.

Also it was held a questionnaire to the administrative and operational employees to assess their perception in relation to psychological empowerment, access to information on individual performance and the reward system used by the company in which it was gotten 15 responses.

Table 1 presents the construct of the variable "management effectiveness" embraced by the study main issue with its variables and sub-variables.

Table 1 : Construct of the Mananegement Effectiveness Variable

Variable	SubVariables	Metric Variables
Management Effectiveness (*)	Performance Standards (*)	(**) Establishes standards (goals) individual performance.
		(**) Existence of standards of performance for teams / departments.
		(**) The existence of specific performance standards for each business unit.
		(**) Existence of global standards of performance for the organization as a whole.
	Comparison Pairs (*)	(**) Comparison standards (goals) individual performance planned and realized.
		(**) Comparison of performance standards for teams / departments planned and carried out
		(**) Comparison of performance standards global business unit planned and executed.
		(**) Comparison of patterns of global performance of the organization as a whole planned and carried out.
	Global Performance (*)	(****)% Of achievement of established guidelines.
		(****)% Achievement of the targets set
		(****) Identification of benefits (promotion, salary increase and bonus) paid to workers.
		(****)% Growth of the economic and financial results of the company.
	Indicators of Profitability and Performance (****)	(***) Rate of return on investment (TRI)
		(***) Rate of return on equity (TRPL)
		(***) Operating Margin
		(***) Generation Operating cash

Source: adapted from (*) Spreitzer (1995); (**) Frezatti et al. (2009); (***) Assaf Neto (2001); e Own elaboration (****).

The data collected through a questionnaire were submitted to simple statistical analysis, average and standard deviation, and in the data collected in the three interview scripts it was applied content analysis. To investigate the profitability indicators, data were collected in the company's financial statements published on the website of New York Stock Exchange (NYSE).

V. Description and Data Analysis

a) Presence of elements of psychological empowerment according to Spreitzer (1995) model

This section shows the presence of elements of psychological empowerment on the Spreitzer (1995) model in the company. Data analysis is organized into four perspectives: competence, impact, self-determination and significance. To assess the perception of administrative and operational employees on these four dimensions questionnaire it was used a seven-point Likert scale: 1 - Disagree very strongly, 2 - Strongly disagree, 3 - Disagree, 4 - Neutral; 5 - I agree; 6 - Strongly agree, and 7 - I agree very strongly.

The competence dimension presents the perception of employees regarding their individual ability to perform their job. The impact dimension is understood as the degree of influence of an employee in the working environment and in the execution of his/her activities. The self-determination dimension is understood as the intrinsic motivation of employees in performing their

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duties with commitment, motivation and meaningful autonomy to perform their work. The significance dimension is understood as the perception of the employees towards the organization associated with the task being performed and the values and ideals of these individuals.

Table 2 presents a summary of the administrative and operational respondents employees perception regarding the dimensions of psychological empowerment contained in the model proposed by Spreitzer (1995).

Table 2 : Summary of responses of the administrative and operational employees about the presence of psychological empowerment in the studied company

Variables	Subvariables	Analysis unit	Avarage	Standard Deviation	Summary of reponses of administrative and operational employees
Psychological Empowerment	Competency	I am confident in my ability to do my job	6,33	0,81	From the responses obtained through the questionnaire, it was observed that the administrative and operational employees consider themselves able to perform activities with skill inherent in their duties.
		I am confident about my abilities to perform activities of my work.	6,06	0,96	
		I have mastered the necessary skills to perform my job.	6,26	0,79	
		My work is within the reach of my abilities.	6,46	0,51	
	Impact	I have significant influence over what happens in my department.	3,33	0,97	It was found that the administrative and operational employees have influence on the results of the company, in the working environment and the specific roles they play in the organization. However, they do not have control over what happens in their departments.
		I have great control over what happens in my department.	2,68	1,38	
		My influence is great in whatever happens in my department.	2,93	1,12	
		My voice counts in decision making of my department	3,20	0,98	
	Autodetermination	I have considerable opportunity for independence to choose how to do my job.	6,00	1,00	It was found that employees survey respondents have sufficient autonomy to define how best to accomplish their tasks and have chances to demonstrate personal initiative in their work environments.
		I have significant autonomy in determining how I do my job.	5,73	1,03	
		I can decide my own way of doing my job.	5,86	0,74	
		I have chances to use personal initiative to do my job.	6,26	0,70	
	Significance	The job I do is important to me.	6,26	0,70	It was noticed that the administrative and operational employees surveyed consider important the goal or purpose of their work for the organization. In this trial reflects the perception of employees towards their ideals.
		The job I do is meaningful to me.	5,80	1,20	
		My activities are personally meaningful to me.	5,93	0,70	
		I really care about what I do in my job.	6,33	0,61	

It is observed in Table 2 in the researched company, according to the perception of the administrative and operational respondent employees, the elements of Spreitzer (1995) psychological empowement model, in the dimensions of competence, impact, self-determination and significance.

According to Thomas and Velthouse (1990), because of the presence of empowerment psychological factors is possible to capture the active orientation for the manifestation of individual wishes of the employees with their capability of adapting to the organizational environment.

b) Management effectiveness measured by the achievement of goals established in the reward system

This section approaches the management effectiveness, measured by the achievement of goals established in the reward system for employees of the company subject of study, following the construct exposed in the research. This section was divided into:

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performance standards, peer comparison and global performance.

c) Performance standards

Performance standards allow an organization to identify the methods used to monitor and manage its performance though the existence of individual performance metrics, team or department. Regarding the existence of individual performance standards (goals) in the organization, respondents reported that:

(R1) All individual performance goals are included in the performance evaluation of the organization.

(R2) There are established standards in the job description, area of expertise and necessary skills to perform their specific functions. Besides the existence of standards to gauge employee knowledge about the mission, vision and values of the organization available on the company's competency evaluation.

(R3) There are individual performance standards that are expressed in the evaluation by competency system, which occurs annually in the company.

Based on the testimony of the respondents, it is clear that the company has established individual performance standards in the system of evaluation performance by competencies, created from the job description, role and required competencies to perform it.

Another relevant aspect corresponds to the fact the company adds to the evaluation performance by competency system the divulgation of the organization mission, vision and values .With this, the company aims to test the knowledge of administrative and operational employees, identifying opportunities of divulgation improvement in relation to these aspects among its employees. Asked about the existence of performance standards for teams or departments, respondents mentioned that:

(R1) No, specifically in those cases the manager must issue a specific report to analyze the performance of the employees of the department as a whole, but there are no standards set for the department. The manager analyzis focus more on the employees individual performance evaluation.

(R2) There are no performance standards for teams or departments in the corporation.

(R3) There are no performance standards previously established by teams or departments present in the performance evaluation by competency in the company.

In the statements of the Respondents 1, 2 and 3, there is a lack of specific standards previously established by the organization to monitor the performance of teams or departments.

When asked about the existence of specific performance for each business unit, the Respondents 1, 2 and 3 highlighted that:

(R1) In relation to the economic-financial performance these specific standards for business units exist and are disclosed by the organization in its quarterly meetings, e- mail, intranet and murals.

(R2) Yes, they are passed on by the corporation in the United States.

(R3) There are specific performance standards for each branch .These standards are informed through a video, with the pronouncement of the president of the corporation in relation to the goals of each unit and the overview of the company's performance every quarter. It is made the translation of this video to Portuguese and it is published on the bulletin board.

It is observed that the company establishes standards for specific economic-financial performance to its business units around the world.

Another important aspect involves the disclosure of performance standards for each unit, which occurs through the quarterly meetings in which all employees of the organization are involved. In addition, there is the institutional video with the president of the company speech who gives these patterns, compares them with other business units, presents an overview of the company in the market and performs the association of company performance according to global economic events.

When asked about the existence of global standards of performance for the organization as a whole, respondents highlighted that:

(R1) There are performance standards for global economic- financial corporation established beforehand.

(R2) Yes, they are passed on by the corporation in the United States.

(R3) There are performance standards for the global organization released in the video with the president of the corporation announcement of the president every quarter.

It is observed by the testimony of Respondents 1, 2 and 3 that the company has standards of global financial and economic performance established by the corporation in the United States. The disclosure of these performance standards happens in a broadly way in quarterly meetings and corporate videos with the speech of the company president.

The practices used by the company, according to the interviewees' statements, corroborate Pereira's (2001) assertion, when it is mentioned that organizations achieve organizational effectiveness when it relates the internal performance aspects of the organization (individuals and business units) and external (market and economic events).

d) Pair comparison

Organizations have the need to evaluate the performance of their activities, in order to maintain the continuity of their business. To perform this assessment managers seek to develop goals and performance standards according to the needs of the company and its strategic objectives. Therefore, the goals aim to

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monitor and manage performance by providing a comparison of the predicted results with the results achieved.

When asked about the individual performance standard comparison of performance planned and implemented, respondents said that:

(R1) The company has a tool for performance evaluation by competencies that includes the following elements: a) the description of the skills required to perform the function in accordance with the position which the employee is allocated b) the values of the organization to measure employees knowledge in relation to these values and disseminate them, c) improvements in job requirements, and d) development actions for the improvement of the employee. The performance evaluation takes place annually in two stages, on the first one the employee conducts a self-analysis of his/her performance answering a questionnaire with closed online questions, available on the company intranet contemplating the four axes of evaluation. The manager receives the questionnaires answered by their subordinates and analyzes the responses, as well as the score of each axis and compares with the standards of previous assessments. Then the manager calls the employee to an assessment face to face , in which the employee receives a feedback on his/her individual performance evaluation .And finally, the manager prepares a consolidated assessment of individual performance that is stored in the system with the consolidated score for each axis of the assessment.

(R2) They are present in the competency evaluation system which is under implementation and improvement. This tool was developed with the assistance of a consulting firm and managers of the company and is being improved continuously.

(R3) The immediate supervisor does the individual standard performance comparison through the performance evaluation system used by the company and also used for comparison of consolidated previous evaluation grades to measure the evolution or involution of employees annually.

It is reported on the interviewees' statements that the company performs the comparison of the individual performances set and achieved goals, using the assistance of the evaluation performance by competency system.

An important aspect corresponds to the face to face feedback, passed by the immediate supervisor to administrative and operational employees after the individual performance evaluation, to generate a consolidated performance evaluation, which is stored in the system of the organization. This way, the company redeems the performance evaluations from previous years and compare them with the current consolidated performance evaluation.

When asked about the implementation of performance standards comparison for teams or departments planned and conducted, the respondents 1 and 2 stated that:

(R1) The performance assessment tool for competence used by the company does not perform these analyzes automatically, unless the manager creates a report with the grades of the consolidated employees individual performance evaluation that are allocated in that department.

(R2) The performance comparison for teams and departments are not conducted, since there are no standards for these analyses.

It is observed from the interviewees' statements that the company has not made a comparison of performance standards for teams or departments planned and carried out, specifically as it does not perform the evaluation their individually.

Regarding the global performance comparisons of the business units planned and conducted respondents point out that:

(R1) Only in evaluating financial performance with the aid of financial-accounting managers and marketing, and production manager in the share of contribution in the performance standards varies according to the plan of the organization. In terms of individual performance evaluation of competencies, assessments are not comprehensive because not all branches of the company spread throughout the world perform this type of evaluation. It is noteworthy that the Brazilian subsidiary is a pioneer in this type of evaluation and is being used as a benchmark for others. Recently the organization held an organizational climate survey and found that this has improved over time in their branches, but has an overall mark for evaluating competence of their employees.

(R2) Yes, through quarterly meetings, which are disclosed in the financial results of the company in overall performance level affiliate with the comparison between predicted and realized. The Brazilian subsidiary is among one of the largest units of the corporation outside the United States.

(R3) The company performs the comparison of performance standards in global business units, in affiliates spread in 14 different countries. However, the Brazilian unit ranks third in size and growth in relation to other business units of the corporation outside the United States.

In the interviewees' statements, it is noted that the organization monitors and performs comparisons of patterns of overall performance in the economic-financial business units scattered in 14 countries. The disclosures of the results of these performance comparisons occur in the quarterly meetings, attended by all employees of the company in the 14 countries where it operates. Respondents noted that the Brazilian unit ranks third on the size and growth when compared to other units outside the United States.

When asked about the performance comparison of patterns of global performance of the organization as a whole planned and conducted, respondents state that:

(R1) Accomplish this comparison each quarter globally in terms of organizational financial performance. Even the president of the company visits its subsidiaries to look closely and monitor their performance. No performance standard is analyzed in isolation, all are jointly analyzed and audited.

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(R2) Yes, through quarterly meetings, which are disclosed in the financial results of the company on a global level with the comparison between predicted and achieved, besides the institutional video of the corporation president which also addresses the global performance comparisons.

(R3) The comparison of performance standards focus on the global economic and financial results. This information is disclosed in the corporate video of the company president and in the quarterly meeting. In this meeting is emphasized the profit before interest, taxes, depreciation and amortization (EBITDA), economic value added (EVA) and the indicator of profitability, this information is disclosed to present an overview of the company and demonstrate a greater employment assurance.

It is noted on the testimony of Respondents 1, 2 and 3, that the company performs the comparison of the organization global performance standard. This comparison is done in quarterly meetings for all employees, including the speech of the company's president.

Also in relation to the comparisons, it is emphasized that no indicator is considered in isolation, because all of them are analyzed together and audited by external audit firms to provide transparency and reliability of the information demanded in the quarterly meetings.

An important aspect corresponds to the indicators emphasized in the quarterly meetings: profit before interest, taxes, depreciation and amortization (EBITDA), economic value added (EVA) and profitability indicators.

It appears that the analyzed company performs its management through the comparison of economic-financial performance evaluation; scheduled and held every quarter and the employee performance by competency evaluation every year. From these comparisons and the quarterly meetings that occur in each of the 14 subsidiaries around the world are generated actions for improvement and refinement.

The practices used by the organization corroborate Pereira (2001) assertion, when he mentions that companies should relate organizational performance with the quality of their performances that boost the ideal and desirable management process effectiveness and efficiency.

e) Global Performance

When asked about the percentage of guideline achievement established by the organization, the Respondents 1, 2 and 3 mentioned that:

(R1) They exist, however, the respondent did not know the percentage of guideline achievement established by the corporation.

(R2) I believe that close to 100%.

(R3) I cannot answer precisely, but I believe it is something around 70% the percentage of guideline achievement previously established.

Based on the statements of the respondents, only Respondents 2 and 3 mentioned that the company is close to reaching 100% of the guidelines set by the U.S. headquarters. One way to collate this data is the published financial statements, presented in section 4.6 of this study.

However, the multinational which is the subject of this study does not disclose the Management Report; Explanatory Notes (NE); Annual Information (AI) and Standardized Financial Statements (DFP).

This financial information is not disclosed by the organization because: company policy, the strategic nature of these statements, and because it is a privately held company in Brazil.

By questioning respondents about the percentage of goal achievement, it was found that:

(R1) They exist, but I do not know the percentage of goal achievement set by the corporation. However, I know that the company is continuously growing.

(R2) Close to 100%.

(R3) I do not know the percentage of goal achievement set in terms of evaluation of financial performance

Based on the statements of the interviewees it is believed that the percentage of goal achievement is close to 100%. Respondents 1 and 3 did not know the percentage but stressed that the company is growing.

When asked about the benefits (promotion, salary increase and bonus) offered by the company to its administrative and operational employees, respondents said:

(R1) The company provides the following benefits to its employees: a) Profit Sharing Program (PPR) in which all employees receive the same percen-tage, with no distinction of values – they are not proportional to the held position b) health plan Unimed with national coverage, in which employees pay just one low monthly fee and may include their dependents c) dental plan Uniodonto without fees d) pension plan, in which each R $ 1.00 invested company pays R $ 0 , 75 e) free access to the use of the employees association, f) private transportation at no cost to employees, and g) all benefits required by labor laws.

(R2) The company provides profit sharing, pension plan, health plan, dental plan, tuition assistance and bonuses to certain levels.

(R3) The company has a career and salary plan in which the paid values are compared to the large urban centers of the country like São Paulo, Rio de Janeiro and Minas Gerais. These values are valid for employees who hold positions as managers, coordinators or directors. However, salaries for other positions may increase according to the productivity of employees and follow the amounts paid in the region according to the performed function. In addition to the annual collective bargaining immediate supervisor may grant an increase of 0% to 5% according to the individual performance of their subordinates. Wages paid by the company in the positions held by managers, coordinators or directors are the highest in the region, accompanying constantly market research about salary range.

In the interviewees' statements, it is observed that the company provides several benefits to its emplo-

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yees administrative and operational: education aid; UNIMED health plan; Uniodonto dental plan; pension plan, profit sharing program, and Private Transport. The company also provides all the benefits related to legal requirements and trade union category.

Stands out in relation to wage increase that this takes place annually on the percentage of the collective bargaining agreement. However, administrative and operational employees who perform well their activities and are well evaluated by the evaluation of performance by competence system get an additional increase ranging from 0% to 5% of their pay percentage, determined by their immediate supervisor.

Another important aspect in relation to the benefits granted by the company is the Program Positions and Salaries in the company equates to compensate their managers, coordinators and directors salaries of people that perform the same function and reside in the major centers of the country. This benefit makes the remuneration of managers, coordinators and directors above the amount paid by the regional market.

When asked about the percentage of increase in the economic and financial results of the company, the Respondents 1, 2 and 3 highlighted that:

> (R1) It is known that the company has an increase in its economic and financial results, but I do not know precisely what percentage.
>
> (R2) I do not know the percentage of increase in the economic and financial results, but it is known that there is growth.
>
> (R3) I do not know the exact percentage of increase in the economic and financial results of the company, but I believe it is something around 25% of growth.

It appears that, although Respondents 1 and 2 do not know the percentage of increase, they reported that there is economic and financial growth in the company. Respondent 3 mentioned that the company economic-financial increase percentage is close to 25%. It is inferred in these data that so far the company analyzed reaches the goals, guidelines and financial results pre-established by the corporation in the United States. Even though some respondents did not know the percentage of goal achievement, policies and economic and financial results, said the company has continued growth.

Regarding the granting of benefits to administrative and operational employees, the respondents reported the following: salary increases, profit sharing program, health plan, dental plan, pension plan, tuition assistance, private transport, bonus for individual performance and salary equalization for the positions of managers, coordinators and directors according to what it is paid in the major centers of the country.

These findings are consistent with Anthony and Govindarajan (2002:615) statement, when they mention there is a "tendency for organizations with higher levels of bonuses have better financial subsequent performance than other organizations."

f) Summary of management effectiveness

Table 3 shows the perception of the respondents regarding management effectiveness measured by the goals established in the reward system of the company subject of study.

Table 3 : Summary of responses of respondents on management effectiveness

Variable	Subvariable	Analysis Unit	Summary of managers responses
(*) Management Effectiveness	(*) Performance Standards	Existence of standards (goals) individual performance	The company has a standard of individual performance that is structured on the performance evaluation by competency system
		Existence of performance standards for teams/ departments	It has no specific performance standards for teams or departments
		Existence of specific performance standards for each business unit	The organization has specific economic-financial standards performance pre - established by the corporation in the United States.
		Existence of global standards of performance for the organization as a whole	The organization has standards of financial performance for its global business units around the world.
	(*) Pair Comparison	Comparison standards (goals) and individual expected performance achieved	The company performs the comparison of individual standards of performance expected and performed when the immediate supervisor uses the results of evaluations of past performance and tries to identify opportunities for improvement and provide face to face feedback to employees with the support of the performance by competency.
		Comparison of performance standards for teams/ departments planned and performed	The company does not perform a comparison of global performance standards _ teams or departments, since it does not perform these evaluations individually.

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	Comparison of global performance standards business unit planned and performed	The comparison of global performance standards across business units planned and performed occur each quarter. Stressed that the Brazilian subsidiary ranks third in size and growth compared to the other units of the corporation outside the United States.
	Comparison of the organization global performance standards as a whole planned and performed	Comparisons of the organization's global performance standards occur quarterly. The indicators that are the most emphasized is cost effectiveness, EVA and EBITDA. It is noteworthy that no indicator is analyzed in isolation and all information is audited by the external auditors to ensure the transparency and reliability of information.
(*)Global Performance	% Achievement of established guidelines	The percentage of achievement of pre-established guidelines is close to 100%
	% Achievement of established goals	The percentage of achievement of goals is close to 100%. However, some respondents were unable to define this percentage, but stressed that the company is continuously growing.
	Identification of benefits (promotion, salary increase and bonus) paid to workers	The company gives its employees the following benefits: salary increases, profit sharing program, health plan, dental plan, pension plan, tuition assistance, private transport bonus for individual performance and salary equalization for positions such as managers, coordinators and directors to amounts paid in large centers of the country.
	% Increase in economic and financial results of the company	According to respondents, the percentage growth of the company in its financial economic value is close to 25%. Although two respondents did not know the percentage, highlighted the presence of this growth in the organization.

Table 3 shows a summary of the perceptions of respondents regarding the management effectiveness as measured by the achievement of the goals established by the reward system, in order to undertake analysis of the relationship of managerial effectiveness with psychological empowerment.

g) Relation of management effectiveness and psychological empowerment

To test the hypothesis H1 - The psychological empowerment on Spreitzer (1995) model is related to management effectiveness in the studied company, this relation was examined from the information collected in the financial statements published on the website of the New York Stock Exchange (NYSE) (www.nyse.br) on November 23, 2010.

Table 1 presents data collected from the financial statements of the company analyzed in thousands of reais.

Table 1 : Net worth and results to calculate the company's effectiveness

Itens	Accumulated Values			
	3º quarter 2007 accumulated	3º quarter 2008 accumulated	3º quarter 2009 accumulated	3º quarter 2010 accumulated
Net Sales	772.253	837.331	639.695	669.737
Operational Profit	22.470	25.828	(51.808)	51.693
Variable remuneration	-	-	61.200	67.500
EBITDA	15.692	26.437	18.469	27.652
Total Assets	1.526.977	1.561.133	1.345.149	1.260.507
Net worth	599.671	613.420	422.613	420.800

In Table 1, there is information related to net sales, operating income, EBITDA, total assets and shareholders' equity of the analyzed company, which was used to perform the calculation of the company's profitability and cost-effectiveness indicators.

Table 2 shows the calculation of profitability indicators - Rate of Return on Investment (TRI) and Rate of Return on Equity (TRPL) - besides the profitability indicators - Operating Margin (OM) and Operating Cash Flow (GOC) - These indicators were used to demonstrate the management effectiveness of the studied company.

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Table 2 : Calculation of indicators for measuring the effectiveness of the company

Indicators	Formula	Valores acumulados							
		3º quarter 2007 accumulated		3º quarter 2008 accumulated		3º quarter 2009 accumulated		3º quarter 2010 accumulated	
		Índice (%)	Δ (06-07)	Índice (%)	Δ (07-08)	Índice (%)	Δ (07-09)	Índice (%)	Δ (07-10)
Profitability	MO = Op. Net profit / Net sales	2,90	-	3,08	0,06	-8,09	-1,78	7,71	1,65
	GOC = EBITDA / Net sales	2,03	-	3,15	0,55	2,88	0,41	4,12	1,02
Cost Effectiveness	TRI = Op.Net profit / Total Assets	1,47	-	1,65	0,12	-3,85	-1,61	4,10	1,78
	TRPL= Operating Profit. / Net Worth	3,74	-	4,21	0,12	-12,25	-2,27	12,28	2,280

In relation to the information shown in Table 2, it is noteworthy the percentage variation between the indicators of profitability and cost effectiveness were calculated based on the values of the 3rd quarter of each year. The index calculated for the values accumulated until the 3 rd quarter of 2009 showed negative variations, probably due to the effects of the global crisis.

Regarding variations of the analyzed quarters, it is noticed a rising trend in profitability indicators of the third quarter of 2007 compared to the third quarter of 2010. The cost-effectiveness indicators showed similar behavior when demonstrating the positive trend in their variations. It is also noticed that in the 3rd quarter of 2007 compared to the third quarter of 2009 there is the presence of negative changes.

From the behavior of the analyzed company's quarterly variations in recent four years it is noticed that this company has management effectiveness in its administration, because its profitability and cost effectiveness indicators have evolved over time, with the sole exception of 2009, year which suffered the consequences of the global crisis.

These findings are consistent with the responses of the interviewed managers, while ensuring the continued growth of the analyzed multinational, even without needing or indicating these growth percentages and these lead us to accept the hypothesis H1.

VI. Conclusions

The research aimed to investigate the management effectiveness measured by the achievement of the goals established in the reward system for employees and their relation with psychological empowerment in a multinational company. Descriptive study with qualitative and quantitative approach was performed in an American company, based in the southern region of Brazil and leading company in its sector.

To collect the data it was used two types of research instruments : a) a questionnaire adapted from Spreitzer (1995) , composed of 24 questions with seven-point according Likert scale to identify the perception of the company's employees on the psychological empowerment; b) three scripts of interviews, applied, respectively, to the human resources supervisor, financial accounting manager and import and export supervisor, to assess management effectiveness dimensions (performance standards, peer comparison and global performance) proposed by Spreitzer (1995).

The data collected through a questionnaire were submitted to simple statistical analysis, average and standard deviation, and in the data collected in the three interview scripts it was applied content analysis. To investigate the profitability indicators, data were collected in the company's financial statements published on the website of New York Stock Exchange (NYSE). The survey results show that, according to employees' perception, the four psychological empowerment perspectives proposed by Spreitzer (1995) are present in the company. There was a strong presence on the seven-point Likert scale, with average ranging from 5.73 to 6.46 for the perspective elements of competence, self-determination and significance. However, with low presence in the perspective elements of impact, oscillating with average of employee indication from 2.68 to 3.33.

Concerning the perception of respondents regarding management effectiveness measured by the goal achievement established by the reward system, it was found that the company has financial performance standards set by the corporation in the United States and a performance evaluation by competence system with individual performance standards. The company also conducts a comparison with individual and economic-financial performances, occurred in previous periods to identify its management effectiveness and widely disseminate it among its employees. According to Lawler III (2003), the company increases its management effectiveness from the moment it provides continuous feedback with pre-established performance measures and predefined objectives, besides a performance evaluation system linked to performance awards.

Concerning the behavior of quarterly changes in the company's indicators of profitability and cost-effectiveness analyzed in the period from 2007 to 2010, it was noticed that the company has management

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effectiveness in its administration, because its profitability and cost effectiveness indicators show progress over time, with the sole exception of 2009, which suffered the consequences of the global crisis. These findings are consistent with the responses of the managers interviewed, and ensure the continued growth of the multinational company analyzed, even without /indicate these growth percentages.

Therefore, regarding the hypothesis that supported the study, the trend observed in the data collected through questionnaire answered by employees of the company and qualitative data collected from interviews with managers, validated by quantitative data present in profitability and cost effectiveness, calculated using data extracted from the financial statements and company management report, validate hypothesis H - the psychological empowerment according Spreitzer (1995) is related to management effectiveness in the studied company.

The results confirm Spreitzer's (1995) findings, when he mentions the presence of a significant relation among managerial effectiveness, psychological empowerment and innovative behavior. However, the author emphasizes that psychological empowerment is at an embryonic stage in literature, considering the development of its conceptual definition, measurement, and validation of the construct the relation with the organizational variable. This research validated part of the construct presented by Spreitzer (1995), regarding the concept presented by the author and partially detected its relation with organizational variables - psychological empowerment and management effectiveness – therefore contributing to fill this gap in literature.

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Do Consumers Consider CSR, A Case of Cellular Companies in Pakistan?

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Abstract- Corporate Social Responsibility is key issue and under debate in the recent business world. In the developing countries, companies have to face serious consequences regarding implementation of Corporate Social Responsibility. Research on this topic is mostly done in developed countries. The first purpose of this study is to investigate "Does consumers consider CSR" and second part of this study focuses on Pakistan telecom industry analysis". According to literature reviews from previous studies, it is proven that role of corporate social respon-sibility play vital role in the organization's success. It was important to explore that does CSR have same role in telecom industry of Pakistan?

Keywords: *corporate social responsibility, CSR, telecom industry, consumer retention, pakistan.*

GJMBR-A Classification : *JEL Code: N30*

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Abstract- Corporate Social Responsibility is key issue and under debate in the recent business world. In the developing countries, companies have to face serious consequences regarding implementation of Corporate Social Responsibility. Research on this topic is mostly done in developed countries. The first purpose of this study is to investigate "Does consumers consider CSR" and second part of this study focuses on Pakistan telecom industry analysis". According to literature reviews from previous studies, it is proven that role of corporate social responsibility play vital role in the organization's success. It was important to explore that does CSR have same role in telecom industry of Pakistan?

This research involved a questionnaires survey conducted over 160 consumers of different telecom companies in Pakistan. Data were collected through verbal and non-verbal manner. Results showed that in Pakistan telecom industry corporate social responsibility has no role in the retention of consumers.

Keywords: corporate social responsibility, CSR, telecom industry, consumer retention, pakistan.

I. Introduction

Corporate Social Responsibility is key challenging issue in the recent business world. Firm should take the responsibility of the society or not, is still debatable issue. Many organizations are effectively involved in the CSR. Such firms firmly believe that they should return back something to society. Toyota is one of the key examples for CSR practices. The fact is that corporate social responsibility is present in the current society and its presence can't be denied. Research shows that consumers take interest in the corporate social responsibility so companies should participate for the development of society. This is also in the interest of organization. We say 'seem to care' because the concept of CSR is characterized by a significant attitude-behavior gap (Roberts, 1996; Simon, 1995). Nevertheless, mostly consumers expect high level of corporate social responsibility the concept of corporate social responsibility (CSR) has gained wide consideration in academic field as well as in business world in recent years. Organizations are using CSR to develop competitive advantage and establish congenial relations with its stakeholders. Despite the popularity of CSR in the developed world, the potential benefits of CSR are less emphasized in the developing economies like Pakistan. This study examines the influence of CSR on purchase intentions in Pakistan. The data has been collected from the respondents regarding their perceptions about CSR actions and its influence on consumer purchase intentions.

This study is intended to evaluate corporate social responsibility and its impact on the consumer retention. If CSR activities have no impact on the consumer retention then question is that why organization is doing CSR activities? Impact of CSR activities is not only important for any one organization but it is also important for all organizations. There are a lot of consequences arising as a result of CSR activities.

II. Literature Review

Corporate social responsibility is also called as corporate citizenship. Corporate social responsibility is defined (Wood, 1991), as "a business organization's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships."

Corporate social responsibility is a popular topic nowadays. "its phenomenal rise to prominence in the 1990s and 2000s suggests that it is a relatively new area of academic research(Crane, McWilliams, Matten, Moon, & Siegel, 2008, p. 3). Although it is true that CSR is mainly a product of the second half of the twentieth century, the roots of the concept, as we know it today, have a long and wide-ranging history (Carroll, 2008). The business community's concern for society is certainly not a new thing and can be traced back for centuries (Carroll, 2008).

CSR is originally considered an American concept (Craps, 2012a). It came into existence at the beginning of the 20th century and was at that time mainly linked to philanthropy. Even though the CSR concept did not originate in Europe, social entrepreneurship, which can be considered a form of CSR, exists even longer, already since the industrial revolution (Craps, 2012a). There is not a lot of literature on CSR found prior to 1950, but this doesn't mean that this period was lacking social initiatives and practices. During the Industrial Revolution there was a strong trend of emerging businesses, whose main concern during the mid to- late 1800s was the employees and more

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specifically how to make them more productive workers (Carroll, 2008). In that time, but also still nowadays, it is often difficult to distinguish between what organizations are doing for social reasons and what they are doing for business reasons (Carroll, 2008). In the late 1800s philanthropy, or corporate contributions, gained importance. Here it was difficult to distinguish whether this was actually individual philanthropy or business philanthropy.

The different views on to whom an organization is expected to have responsibility have not been constant over time. Van Marrewijk (2003) acknowledges a sequence of three approaches to CSR that has been referred to by various authors in academic literature. Each approach includes and transcends the previous one and tries to formulate the subject of responsibility for the organization (Van Marrewijk, 2003).

A first approach is the shareholder approach. Van Marrewijk (2003) quotes Friedman (1962), who says that according to the shareholder approach "the social responsibility of business is to increase its profits" (p. 96). This approach starts from profit maximization as an ultimate goal and believes that "socially responsible activities don't belong to the domain of organizations but are a major task of governments" (Van Marrewijk, 2003, p. 96). This approach states that organizations should only be concerned with CSR to the extent that it contributes to the profit maximization goal of the business (Van Marrewijk, 2003).

A second approach is the stakeholder approach. This approach indicates that an organization should not only be accountable to its shareholders, but that it should also take into consideration the interests of all its stakeholders which might be affected by the organization trying to achieve its objectives (Van Marrewijk, 2003). Under this definition an organization is accountable to all its stakeholders, which are according to Jensen (2002) "all individuals or groups who can substantially affect the welfare of the firm – not only financial claimants, but also employees, consumers, communities and government officials" (p. 236).

A third and last approach is the societal approach. Van Marrewijk (2003) considers this to be the broader view on CSR, but not necessarily the contemporary one. This approach indicates that companies are responsible to society as a whole, of which they are an integral part" (Van Marrewijk, 2003, p. 97). It means that an organization should operate in a way that serves and satisfies the needs of society.

III. Research Analysis and Results

Companies are moving rapidly towards globalization. They are looking across the boundaries. This thing is resulting competition, companies are introducing new strategies and tool. Organizations are focusing more on CSR so they can have better workforce, by this organization can achieve competitive advantage. There is more competition between multinational companies, especially in the developing countries.

There are looking for a strong relationship between the civil society and organization. One of the key strategic advantages is good will of the society. Companies those gained society good will, they again more strategic advantage. The practices of CSR in Pakistan are still under debate. It has been observed from last few years, that corporate social responsibility has become an effective strategy to gain competitive advantage. Now a day, large number of companies is engaged with society for delivering social benefits. Society is also warmly welcoming such companies. Large multinational companies are implementing CSR strategies very effectively. But there are still key issues those are debatable regarding corporate social responsibility. In Pakistan, CSR polices and strategies are implemented by many multinational organization. This might be because of high competition. Pepsi, Coca-Cola, big brothers and Nestle are more focusing on the CSR activities, now a days, bank sector has also started to implement corporate social responsibility activities and polices by sponsoring in the sport games.
Total 200, questionnaires were distributed among consumers of telecommunication companies in Pakistan. These questionnaires were distributed in different cities, and among different age of people. It includes both male and female. Returned back questionnaires are 140, later some survey e.g. face to face interviews were also conducted, so total sample size is 160 from the consumers' side.

Table 1 : Frequency Table

Different Age Groups	Frequency	Percent	Cumulative Percent
Age 18	65	40.62%	40.62%
Age 28	38	23.75%	64.37%
Age 38	25	15.62%	79.99%
Age 48-57	18	11.25%	91.24%
Age 58 -67	14	8.75%	100.0%
Total	160	100.0%	

Table 2 : Frequency distributions according to "occupation"

Occupation	Frequency	Percentage	Cumulative Percentage
Student	54	33.75%	33.75%
Worker	67	41.87%	75.62%

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Unemployed	39	24.37%	100%
Total	160	100%	

Most of the respondents are working in Pakistan; they are 67 out of 160. The second largest sample is collected from the students, 33.75% of total respondents. Data was collected from students, workers and unemployed so it reduces income effect on CSR.

Table 3 : Frequency distributions based on "Network Provider Company"

Company	Frequency	Percentage	Cumulative Percentage
Utone	53	33.12%	33.12%
Mobilink	26	16.25%	49.37%
Zong	39	24.3%	73.67%
Telenor	15	9.3%	82.97%
Other	27	16.875%	100%
Total	160	100%	

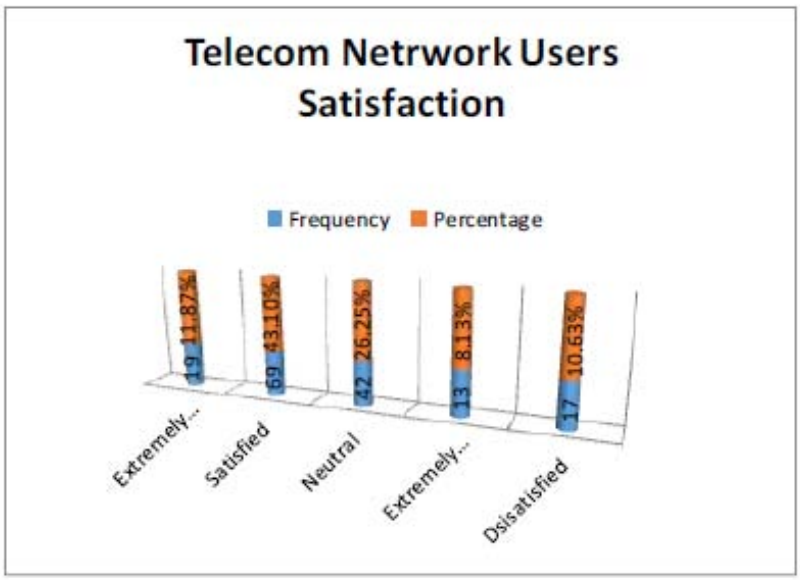

Figure 1 : Frequency distributions based on "service satisfaction provided by telecom companies" .

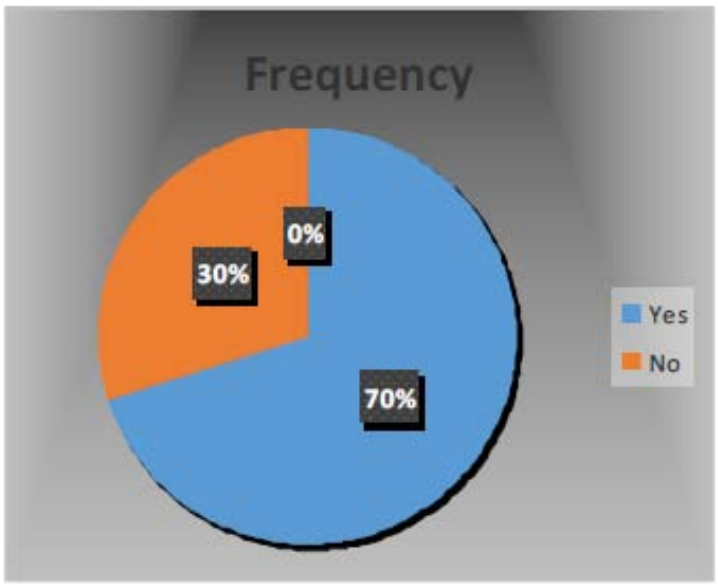

Figure 2 : Frequency distributions based on, "Telecom Company which offers much lower price than its competitors"

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IV. Conclusion and Recommendations

Telecom sector is playing very vital role in the economic growth of Pakistan. Telecom sector is being considered as one of the fastest growing sector since it has opened doors for the private companies. In 2007, sector growth rate was 80 percent, but in last four years, average growth rate of sector is more than 100 percent. 20 percent growth has been observed in the telecom sector. Pakistan telecom sector is most heavily taxed in the comparison to regional and comparable economics. Sector has strong contribution in the foreign direct investment (FDI). It has produced a very healthy and strong impact on the economy and society. Role of telecommunication sector is indispensable for economic development. Telecommunication infrastructural investtment can lead to economic growth in several ways: transaction costs of data collection, placing and receiving orders have greatly reduced due to the availability of advanced telecommunication infrastructure.

Study was conducted in Pakistan, to know the role of corporate social responsibility in consumer's retention. As it has been already discussed that telecom industry is being consider of one the key industry in the country growth. Different companies are doing corporate social activities.

Results show that CSR activities have no role in the telecom consumer retention. Consumers are using services of different telecom companies. They are satisfied with the CSR policies of the telecom companies but CSR policies have no effect on the retention of the consumers. Corporate Social Responsibility has key role in the development of society. It has been observed that in the developed countries or countries where CSR policies have implemented successfully, their economic and social growth is outstanding.

Companies has played significant role in the development of society.

But when we talk about the CSR polices in Pakistan the scenario is different; companies are doing but has no impact on the consumers. So, what role should government play? Some key recommendations are following.

1) Low Taxes for CSR companies
2) CSR Law
3) Subsidy

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Motivational Strategies and Enhancement of Employees' Performance in the Nigerian Food, Beverage and Tobacco (Fobeto) Industry

By Grace O. Akinola & Abiola O. Akinbobola
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Abstract- This study examined the various motivational strategies available to workers of the Nigerian food, beverage and tobacco industry; and determined employees' perception of the best motivation strategy for enhancing their job performance. Primary and secondary data were sourced for this study. Primary data were collected through administration of questionnaire to employees of five purposively selected companies out of 15 quoted companies in the industry. Stratified random sampling technique was used in selecting respondents from these companies, using the three levels of management for stratification, with a sample fraction of 15 percent. Secondary data were sourced from Nigeria Stock Exchange Factsbook. Data collected were analysed using descriptive and inferential statistics.

Keywords: employee motivation; organisational performance; nigeria; food, beverage and tobacco industry.

GJMBR-A Classification : JEL Code: E29, J29

MOTIVATIONALSTRATEGIESANDENHANCEMENTOFEMPLOYEESPERFORMANCEINTHENIGERIANFOODBEVERAGEANDTOBACCOFOBETOINDUSTRY

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Grace O. Akinola [α] & Abiola O. Akinbobola [σ]

Abstract- This study examined the various motivational strategies available to workers of the Nigerian food, beverage and tobacco industry; and determined employees' perception of the best motivation strategy for enhancing their job performance. Primary and secondary data were sourced for this study. Primary data were collected through administration of questionnaire to employees of five purposively selected companies out of 15 quoted companies in the industry. Stratified random sampling technique was used in selecting respondents from these companies, using the three levels of management for stratification, with a sample fraction of 15 percent. Secondary data were sourced from Nigeria Stock Exchange Factsbook. Data collected were analysed using descriptive and inferential statistics. The results showed various motivational strategies available to workers of the industry, found the best motivational strategy in the industry which, if properly used, would result in 80% increase in organizational performance. The study concluded that the use of perceived best motivational strategy by employees should be encouraged to bring about remarkable improvement to organizational performance in the industry.

Keywords: employee motivation; organisational performance; nigeria; food, beverage and tobacco industry.

I. Introduction

Modern management concepts and strategies are designed to solve identifiable problems and meet the recognizable needs of a particular society. Today, more than ever before Nigeria is beset with a bewildered array of problems that have proved intractable and far from being remedied. A glance at record of Nigerian economy reveals that the industries are totally in despair: the health-care system in shambles; the capacity to uphold justice, law and order is scandalous; there is mass exodus of highly talented Nigerians to other countries, and so also loss of faith in governance. Electricity problem is order of the day, managers are increasingly being asked to boost productivity, quality and customer satisfaction while also reducing costs. These goals can only be met through the cooperation and efforts of all employees by creating positive work environments where people feel valued and appreciated.

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In order to get the best out of workers and turn things round in Nigeria, the key factor is motivation of workers. Motivation is concerned with a question: why do people "do what they do?" motivation is a key to understanding many forms of behaviour in organizations. Understanding what motivates employee helps in understanding the dynamics underlying such important behaviours as job performance, absenteeism, turnover and even counter- productive behaviour (Haslam, 2004). If an organization's leaders understand the motive underlying performance, they can predict their employees' future performance. In addition understanding an employees' motivation for performing at work can allow leaders to structure the work environment to encourage productive work behaviour and discourage counter productive work behaviour (Jex and Brett, 2008).

For example, if an organization knows that employees are highly motivated by financial incentives, this knowledge can be used to influence performance through the strategic use of raises. Motivation is a hypothetical construct; we cannot see it or feel it. However, we can observe the effects or by-products that are indicative of differing levels of motivation. To use an analogy, motivations can be likened to gravity. We cannot see or feel gravity, but its effect would become very clear if one were to jump out of a window of a five-story building (Kanfer, 1990).

Motivation determines the form, direction, intensity and duration of work related behaviour. The form of behaviour refers to the types of activities an employee would choose to engage in at work (Pinder, 1998). Motivation is defined as "factors or events that energize, channel and sustain human behaviour overtime (Steers, Monday and Shapiro, 2004).

Motivation is a critical determinant of behaviour or job performance. It is a goal-oriented behaviour that is cyclic in nature whether or not a worker can produce the best he is capable of producing depends upon the level of motivation which in turn depends on individual factors which include inherited traits, natural abilities to do the job in question, age, sex, race, education, personality characteristics, occupational level, need strength and reward expectations. According to Schewe (2000), there is no substitute for good leadership when it comes to providing motivation. Effective leadership instils an enthusiasm for performing one's tasks. The reward

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system also affects the level of motivation. Managers and employees must feel that they will be rewarded well if they perform well.

Just like other employees, private enterprises' employees are motivated by both intrinsic and extrinsic rewards. Intrinsic motivation refers to motivation that is driven by an interest or enjoyment in the task itself and exists within the individual rather than rely upon any external pressure. Extrinsic motivation comes from outside of the individual. Common extrinsic motivations are rewards like money and grades, coercion and threat of punishment. Competition is in general extrinsic because it encourages the performer to win and defeat others to win and beat others, not to enjoy the intrinsic rewards of activity. A crowd cheering on the individual and trophies are also extrinsic incentives.

Financial-based rewards such as bonuses, commissions as well as job promotions form significant component of the reward system, although there are other factors that motivate employees and influence their overall level of performances. In fact according to numerous studies conducted among public employees, the results indicated that among the surveyed, financial rewards was not the most motivating factor (Perry, Mesch, Paarlberg, 2006). The study also established that among public administration managers, financial rewards have a de-motivating effect among employees (Srivasva, 2001). Public administration entities are emphasizing a quality improvement teams and commitment building programmes as opposed to financial incentives.

A research conducted by the University of Texas in 2005 established that financial incentives (Bonuses and Commissions) make up less than 5% of the U.S. public administration employees' compensation (Stajkovic, 2003). The U.S. private sector on the contrary is encouraging financial incentives through implementation of pay for-performance plans that encourage alternative rewards systems. Therefore unlike public sector organizations, food, beverage and tobacco (FOBETO) industry are increasingly adopting alternative reward system in order to boost their competitiveness both locally and internationally. As a result food, beverage and tobacco industry are emphasizing on the need for cost cutting, corporate restructuring while at the same time boosting employee performance. Public organizations are not as profit driven as private enterprises, and therefore prefer using bonuses as their key financial-based reward technique as opposed to commissions. On the contrary, food, beverage and tobacco industry emphasize on pay-for-performance reward esteem. Nonetheless, regardless of the reward system selected by either public or private organizations the selected system must incorporate both financial-based and other alternative reward systems for it to be effective.

Studies have shown that organizations and their workers depend on each other to fulfil their desired expectations. However, a major challenge confronting the Nigerian food, beverage and tobacco industry is how to evolve appropriate motivational strategies to generate high level of performance from its employees, without compromising company's profit motives; hence this study.

The study provided answers to the following questions: What are the various motivational strategies available to workers of food, beverage and tobacco industry? What are employees' perceptions of the best motivation strategy for enhancing their job performance? The specific objectives of the study therefore were to examine the various motivational strategies available to workers of Nigerian food, beverage and tobacco industry; and determine employee's perception of the best motivational strategy for enhancing their job performance.

II. Methodology

This study is on employee motivation and organizational performance. It covered only quoted firms with adequate and consistent data for a period of 2001 to 2010 in the Nigerian food, beverage and tobacco industry. Five companies were selected out of 15 quoted companies in the industry which have complete data till at least 2007 in the Nigeria stock exchange fact book and at the same time with the highest profit before tax in the industry.

These companies included: flour mills of Nigeria plc which primarily engages in flour milling and pasta production. It has a profit before tax of 9, 791,732 as at 31st March 2007; Nestle Nigeria Plc which undertakes manufacturing, marketing and distribution of food products, as well as the manufacture of hydrolyzed plant, protein mix for MAGGI cubes and other food products. It had a profit before tax of 8, 463,788 as at 31st December 2007. Nigerian bottling company deals with production and bottling of alcohol-free beverages. It recorded a profit before tax of 4,346,826 as at 31st December 2007; 7-up bottling company deals with bottling and marketing of soft drinks namely 7-Up, Pepsi and Mirinda. It declared a profit before tax of 1,900,711 as at 31st March 2007. Natural salt company (Nigeria) Plc deals with processing of raw salt into edible salt and importation of Petti tomato paste. It declared a profit before tax of 1,752,331 as at 31st December, 2007 (NSE, 2008; as used by Akinola, 2011).

Stratified random sampling technique was used in selecting respondents from these companies, using the three levels of management for stratification, with a sample fraction of 15 percent of employee in each company; totalling 300 respondents. Two hundred and ten copies of questionnaires were retrieved. Data on variables such as motivational programmes and strate-

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gies available, tools introduced to enhance productivity were collected from the respondents. The questionnaire was divided into three parts which form the major tool, for the study. The three parts were designed to cover a set of information relating to respondents personal data, job motivation and performance in the quoted firms of Nigeria food, beverage and tobacco industry. The first part sought information on respondents' demographic data; provided information relating to respondents' sex, marital status, age, department and rank. The second part contained a number of statements on job motivation and the extent to which these motivational factors motivate them to improve on their job performance. The third part contain an open ended space where the respondents are free to provide information about factors that could enhance organizational performance in their own opinion and other motivating factors that they felt that their organization could provide to enhance performance.

The secondary data on variables such as profit after tax and number of employees were sourced from NSE Factbook during this study period. Data collected were analysed using descriptive and inferential statistics; these were based on 210 questionnaire retrieved.

III. Results

The socio demographic characteristics of the employees of food, beverage and tobacco industry considered in this study included gender, age, marital status, department and rank. Table 1 shows the demographic characteristics of respondents by gender, age, marital status, department and rank of selected firms in the Nigerian food, beverage and tobacco industry.

a) Socio-demographic Characteristics of Respondents

i. *Gender Distribution of Respondents*

Table 1 shows that 58.1% of respondent were male, while 41.9% were female. This reflected that males were predominant among the workers of food, beverage and tobacco industry.

ii. *Age Distributions of Respondents.*

The result showed that 50% of the respondents were below the ages of 25 and 34 years. This showed that a larger percentage of the workers were youths. Nine percent of the respondents were 45 years and above and only one percent was below 15 years, the implication of this result was that active working age dominated food, beverage and tobacco industry relative to other age ranges. This was because the industry required people who have more mental and physical energy in order to function effectively and efficiently.

iii. *Distribution of Respondents by Marital Status*

Results show that 45.7% of respondents were married while 43.8% were single. This showed that most workers of Nigeria's food, beverage and tobacco industry were married (Table 1).

iv. *Distribution of Respondents by Department*

Table 1 shows that marketing department absorbed the highest percentage of respondents with total percentage of 37% this is followed by production department with total percentage of 23.1%.

v. *Distribution of employee by rank*

From Table 1, about 28% of workers of Nigerian FOBETO industry falls within sales representatives rank, this showed to us that sales representative dominate the rank of workers in the industry. This was closely followed by clerical officer with 26.7% least on the ranks was assistant manager with 4.8%.

b) The various motivational strategies available to workers of FOBETO industry.

From the results obtain from the respondents; twelve different motivational strategies were being employyed by workers of food, beverage and tobacco industry. Bonuses, commission, profit sharing, non-cash incentives were grouped under high salary and fringe benefits. Enriched job and employee stock ownership were under good welfare packages strategy. The workers could also enjoy prompt promotion on their various jobs. In order to avoid monotony of working situation, employees of Nigeria FOBETO industry have access to provision of enriched job. Since human being are political animal, and are being encourage to express their own opinion on issues that can move the organization forward, this is expressed on voting right of the employee, and a host of other motivational strategies in place. However it could be deduced that job promotion recorded the highest mean value among the strategies with team related reward as having the lowest mean point. The implication of the result is that job promotion, bonuses, good working environment etc were considered by the workers to be used in food beverage and tobacco industry. It was discovered that the industry make use of bonuses and commission as part of strategies employed to motivate their workers. This was in line with the study carried out by (Stajkovic 2003).

c) The Employees' perception of the best motivational strategies for enhancing organizational performance.

The employees of Nigerian FOBETO industry perceived high salaries and fringe benefits as the best motivational strategy in the industry (Table.4); and that when properly used; it resulted in 80% increase in organizational performance (Table 5). Other motivational strategies that contributed to organizational performance as well as their contributions, as perceived by employees in the industry were as summarized in Tables 4 and 5.

IV. Discussion of Findings

In order to avoid marginalization and sustaining its competitive advantage, organizations today are required to adapt to cost effective motivational strate-

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gies, that have proofing results, so as to achieve its target, greater levels of skills, commitment and intelligence of employees are required and organization have to make a huge amount of investment. However, due to various aspects such as distrust on employees, economic issues, investment of extra effort and greater level of doubt and ambiguity, managers are averse to redesign the work place (vroom, 1990). Nowadays, organizations are employing new technologies and downsizing the numbers of workers, outsourcing or employing temporary workers in order to save cost. This situation can trigger a negative impact on employees motivation since they feel that companies turn out to be less loyal and dependable to them (Boldman and Deal, 2003).

From the finding of this study Nigerian FOBETO industry make use of knowledge of gender balance in their recruitment exercise as the gap between male and female employees of the company is very close 58.1% male to 41.9% female. The youth dominating the total number of employees, as 50% of the employees falls between ages 25 and 34 years, and this point to the facts that most of the employees are able bodies and this is the reason why the Nigerian FOBETO industries still managed and survive in this challenging and volatile market environment.

Marketing department absorbed the highest percentage of respondent with total percentage of 37%, this shows to us that enough attention was place to sales of the products been manufactured and this serve as pointer to the outstanding profit of the organization, followed closely is the production department.

From the findings, job promotion recorded the highest mean value among the strategies used to motivate the workers of Nigerian FOBETO industries this is in line with findings of Collins and Porras (1994) which encourages both organization and employees to invest time and resources in upgrading skills, provided powerful incentive and also reduces serious errors by new comers unfamiliar with history and proven ways. The employees of Nigerian FOBETO industry perceived high salaries and fringe benefits as the best motivational strategy in the industry and when properly used, it resulted in 80% increase in organizational performance. This is in line with the findings of Stajkovic (2003) from the research conducted by the university of Texas, that U.S. private sectors are motivated by financial incentives as oppose to the public administration employees' that are not motivated by financial incentives.

Nigerian FOBETO employees perceived high salaries and fringe benefits as the best motivational strategies that can enhance their performance in this ever increasing and volatile market situation.

V. Conclusion

Motivation and performance are critical characteristics of organization especially in the Nigeria food, beverage and tobacco industry where the industry are competing with local manufacturer of the same type of product as Multinational Corporations and Nigeria also serve as a dumping ground for foreign goods and with the problem of Nigerian preferential taste for imported goods. The study therefore concluded that if the perceived best motivational strategy by employees of the Nigerian FOBETO industry is used effectively, it could bring about remarkable improvement in organizational performance in the industry.

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VI. Tables

Table 1 : Demographic Characteristics of Respondents

Demographic Variable	Divisions of Variable	Frequency	% Frequency
1. Gender	Male	122	58.1
	Female	88	41.9
	Total	210	100.0
2. Age	under 15 years	2	1.0
	15-24 years	60	29.1
	25-34 years	103	50.0
	35-44 years	32	15.5
	Above 45 years	9	4.4
	Total	206	100.0
3. Marital Status	Single	92	43.8
	Married	96	45.7
	Widowed	14	6.7
	Divorced	8	3.8
	Total	210	100.0
4. Department	Marketing	77	37.0
	Human resource	43	20.7
	Account and finance	19	9.1
	Production	48	23.1
	Administration	13	6.3
	Supply chain	3	1.4
	Procurement	5	2.4
	Total	208	100.0
5. Rank	Manager	19	9.0
	Clerical Officer	56	26.7
	Accountant	18	8.6
	Supervisor	24	11.4
	Admin. Officer	18	8.6
	Sales Representative	59	28.1
	Director	6	2.9
	Assistant Manager	10	4.8
	Total	210	100.0

Source: Field Survey, 2012

Table 2 : Various motivational strategies available to workers of FOBETO industry

Motivational Strategy	Responses	
	Number of Respondents Suggesting Strategy	Percent Respondents Suggesting Strategy
Bonuses	79	38.2
Commission	59	28.5
job promotion	117	56.5
enrich job	44	21.3
voting right	44	21.3
profit sharing	43	20.8
employee stock ownership	36	17.4
training and development	62	30.0
non-cash incentives	52	25.1
team related reward	26	12.6

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corporate funded group dinner	29	14.0
good working environment	66	31.9

Source: Field Survey, 2012

Table 3 : Descriptive Statistics on Various motivational strategies available to workers of FOBETO industry

Motivational Strategy	N	Mean	Std. Deviation
job promotion	210	.56	.498
Bonuses	210	.38	.486
good working environment	210	.31	.465
training and development	210	.30	.457
Commission	210	.28	.451
non-cash incentives	210	.25	.433
enrich job	210	.21	.408
voting right	210	.21	.408
profit sharing	210	.20	.404
employee stock ownership	210	.17	.378
corporate funded group dinner	210	.14	.346
team related reward	210	.12	.330
Valid N (listwise)	210		

Source: Field Survey, 2012

Table 4 : Perception of Employees on Best Motivational Strategy in Nigerian FOBETO Industry

	The Extent at which Motivational Strategy Lead to Improvement in the Quality of Work				
Motivational Strategy	No Effect	Very Little Extent	Little Extent	Large Extent	Very Large Extent
High Salary and Fringe Benefits	5	1	14	54	136
Provision of Allowances	1	9	23	85	90
Good Welfare Package	2	7	58	48	93
Recognition and Award	4	27	57	67	53
Autonomy and Freedom of Performance	17	33	39	90	27
Training and Development	6	14	9	95	84
Good Working Condition	5	10	32	63	96
Prompt Promotion on the Job	0	43	44	48	73

Source: Field Survey: 2012

Table 5 : Descriptive Statistics on Perception of Employees on Best Motivational Strategy in Nigerian FOBETO Industry

	Descriptives		
Motivational Strategy	N	Mean	Std. Deviation
High Salary and Fringe Benefits	210	4.50	0.837
Provision of Allowances	208	4.22	0.845
Good Welfare Package	208	4.07	0.973
Recognition and Award	208	3.66	1.055
Autonomy and Freedom for Performing job	206	3.37	1.148
Training and Development	208	4.14	0.980
Good Working Condition	206	4.14	1.010
Prompt Promotion on the Job	208	3.73	1.149

Source: Field Survey, 2012

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Effect of Work Motivation and Organizational Commitment on Job Satisfaction: (A Case of Education Industry in Pakistan)

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University of Sargodha, Pakistan

Abstract- The study intends to investigate the impact of work motivation and organizational commitment on job performance in education sector of Pakistan. Moreover, the study is aimed at examining impact of work motivation and organizational commitment on job satisfaction in the education sector of Pakistan. The research design organized for this research was through survey questionnaire personally administered. All the questionnaires have been filled the employees working in educational sector of Pakistan. The results of the study have been concluded by using regression analysis. The results of the study indicate that there is the positive relationship job satisfaction and job commitment. Whereas, job motivation has also a positive effect on job satisfaction of employees working in educational sector of Pakistan. It implies that more motivated and committed employees will perform well and will be more satisfied as compare to others.

Keywords: *work motivation, organizational commitment, job satisfaction.*

GJMBR-A Classification : *JEL Code: J28, J20*

EFFECTOFWORKMOTIVATIONANDORGANIZATIONALCOMMITMENTONJOBSATISFACTIONACASEOFEDUCATIONINDUSTRYINPAKISTAN

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Effect of Work Motivation and Organizational Commitment on Job Satisfaction: (A Case of Education Industry in Pakistan)

Amir Sohail [α], Robina Safdar [σ], Salma Saleem [ρ], Samara Ansar [ω] & M. Azeem [¥]

Abstract- The study intends to investigate the impact of work motivation and organizational commitment on job performance in education sector of Pakistan. Moreover, the study is aimed at examining impact of work motivation and organizational commitment on job satisfaction in the education sector of Pakistan. The research design organized for this research was through survey questionnaire personally administered. All the questionnaires have been filled the employees working in educational sector of Pakistan. The results of the study have been concluded by using regression analysis. The results of the study indicate that there is the positive relationship job satisfaction and job commitment. Whereas, job motivation has also a positive effect on job satisfaction of employees working in educational sector of Pakistan. It implies that more motivated and committed employees will perform well and will be more satisfied as compare to others.

Keywords: work motivation, organizational commitment, job satisfaction.

I. Introduction

Lot of studies has explored the relationship between the work motivation, organizational commitment and job satisfaction. But only few studies focus on the local educational institutions. Job satisfaction is a crucial factor for which organization put a strong effort by making the strong HR strategies and policies to motivate their employee so that the individuals can more involved in their work, be more committed to their jobs and ultimately satisfied with their jobs. Now a day's companies need to satisfy employee to compete in competitive market. Organizations try to motivate their employee for achieving organizational goals because motivating factors lead the employee to perform well and to be more committed as well. Organizations main focus is profit maximization. They can fulfill their objectives with the help of employees. Employees play vital role in achieving the organizational goals. Many organizations implement HRM practices to enhance the employees performance. Because, HRM consider employees as 'valued asset and as a source of competitive advantage through their commitment, adaptability and high level of skills and ultimate performance' (Armstrong, 2009). Educational institutes are the building blocks of a nation and the workers of these institutions are the valuable asset and the builders of the fortune of any nation. The intend of this study is to investigate the factors that affect the job satisfaction of teachers. As the teachers are well experienced, the institutions provide them full accommodation and the facilities which they need for in order to enhance their ultimate performance. Now a day's organizations have to consider the human factor for the existence of their organizational survival and their success. This is a challenge for the companies to satisfy their employees by applying different motivating factors, and for this purpose different approaches are training, promotion, compensation to employee, performance related pay, salary increment and bonus and empowerment to employee (Saleem, Mahmood, & Mahmood, 2010). Companies use different strategies to motivate their employees and they may also change their strategies for improving employee's satisfaction. Because the organization knows that motivated workers perform well and are more satisfied with their job, this will increase the organization's output. While looking at different institutes, we see that they use different tricks, tactics, policies and approaches in order to motivate and make employees more excited more focused and more directed for their work. They use different training programs to seek the learning experience and gain permanent change that leads to good performance (Stephen & David, 2004). So when the employee is motivated to work he/she gains more interest in the work settings, his/her loyalty increases for organization. Employees are committed to their jobs only when they are internally convinced to their duty roles and motivated for their work. So one way is to stimulate and energize employees is to motivate them which lead to commitment for job and then job satisfaction. These factors are interlinked to each others in this sense. So this study intends to investigate the impact of motivation and commitment on job satisfaction of employees working educational sector of Pakistan Moreover, the study aimed at examining the impact of work motivation and job commitment on job satisfaction in the education sector of Pakistan, also determine the relationship between these variables and the level of satisfaction with various dimensions of job.

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II. Literature Review

a) Job satisfaction

Job satisfaction remains a remarkable part of discussion in management, humane recourses management and organizational behavior. Job satisfaction means what employees feel when they came for job and how they get enforced to perform the job. We will also try to pointout that know what are the things that make them happy on doing the job so that they do not leave the job. Job satisfaction is a state of emotional gladness, which comes from the achievement of a goal that one gets by fulfilling his part of work in an organization. Job satisfaction leads employees to work with motivation. Job satisfaction is not only the identity of pleasure but also the happiness for their job due to environmental effects. Job satisfaction and employee involvement leads to high job performance. Job satisfaction can be in shape of salary or any other monetary incentives that help to make employees happy and they remain highly engaged with the organization. It has positive relation with job performance and can be improved with new encouraging strategies. If an organization has good HRM system, it is possible to construct more loyalty, commitment and motivation. As Pfeffer (1994) said Job satisfaction would be achieved when an employee is motivated to do work by his own will.

b) Work Motivation

Work motivation is a process that directs and sustains the performance. Motivation encourages employees internally towards the actions which help them to achieve the goals or specific task which is assigned to him. Effectiveness of employees work can inspire them to their work and can bring more work motivation and more commitment of their jobs. It can be defined as motivation to perform an activity for it, in order to experience the pleasure and satisfaction in the activity (Deci, 2005). We can create work motivation by giving incentives to employees which can be in monetary form by which they can feel that they are supported person and have their own place in organization. Panday (2011) described that emotional attachment and employees' loyalty is most important factor in work motivation. This can bind the people to stay in organization. There are many other benefits of organization that are associated with work motivation. Work motivation can be evaluated by the degree of attachment, obligations, and rewards in working in the organization. If the employees are competitive and want to do work with full efficiency then thay will utilize all their capabilities for a challenging task. Many of the employees like to make relationships and need to contact more and more to the higher authorities. It will make them to feel that they are observed and motivated. Effectiveness of work motivation both internally and externally forces the employees to work more excitedly which can result into job satisfaction. Work motivation creates job satisfaction by which employees would be more committed with job and then they affect job performance. If they are satisfied and motivated then their job performance can achieve the goals of businesses that play an important role in this regard.

H1: Work motivation has direct positive effect on job satisfaction.

c) Organizational Commitment

Organizational commitment has become the base of a wide variety of litrature which have focused on both the job commitment along with its cosequences on the work behaviors for example performance on the job and turnover rate. Mark & Nancy (1991) studied that when the employees are more involved and attached with the job it means that they are more committed to their work it implies that the employees are satisfied towards organization. Along with the other behavioral indicators like; learning, perception, motivation and thinking, organizational commitment is considered to be most important factor to determine the behavior of people in the organizations. It's all about individuals feelings of what he perceiving about his job and then his loyalty shows his commitment toward his organization .Commitment shows an individual psyche, the attributes and the behavioral patterns that how much he is satisfied. There was a correlation described between the organizational commitment and job satisfaction, which is positive as the job commitment for organization increases satisfaction revealed, and if organization wants to satisfy the employee then there should be necessary efforts that are made to increase commitment for the job (Munir et al., 2012). A study on education sector revealed that more constructive and sound environment create more satisfied employee for the organization and if the organization wants to boost up their productivity aspecially in the education sector it needs to put or made efforts to engage more employee into their work settings and involved so they can satisfied and be more committed (Khalid, Zia-ur-Rehman, Abdul, Allah, Naveed, & Shafique, 2013).

H2: Employee organizational commitment has direct positive effect on job satisfection.

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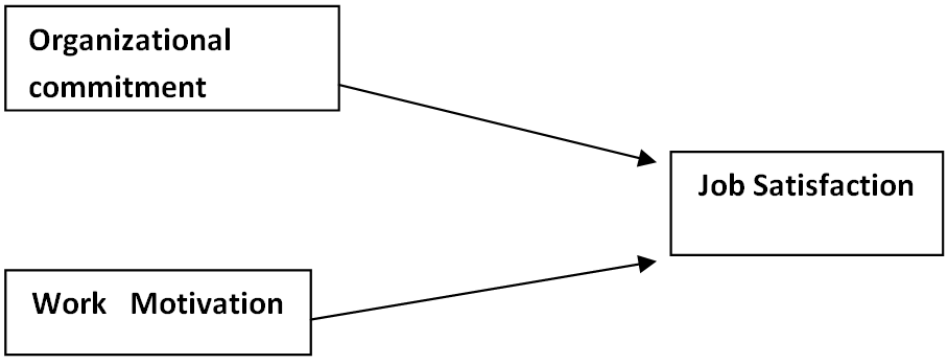

Figure No. 1

III. Methdology

Wide range of studies have been conducted to check the effect of motivation and organizational commitment on job satisfection by keeping in view of all these researches this study clearifies and take a broaden look of the relationship between job satisfaction with its pridictors in educational sector of Pakistan. The tool which has been used for data collection is a adopted questionnaire from different studies. In order to make researsh valid non propability sampling has been used in this study and only those respondents have been covered who can give you effective input for analysis. A questionnaire has been designed to check the effect of work motivation and organizational commitmnet on job satisfection by using five-point Likert scale. The structure of the qustionnaire has been organized as, in the initial section of questionnaire demographic informations have been placed, in the next part of questionnaire the main items of the variables have been placed in three sections. In section one job satisfection is measured having 7 items,choosen from (Saleem et al., 2010). While in section 2 work motivation is measured in 7 items choosen from (Saleem at al., 2010). However in section 3 organizational commitment has been placed containing 6 items and adapted from (Khalid et al., 2013).In order to derive results from collected data descriptive statistices and regression analysis have been used.

IV. Research Findings

There are 140 respondents which are selected to take input from them in order to make data analysis. The results of data analysis have covered in three tables. In table no 01 descriptive statistics has been reported which indicate that most of the variables are normally distributed and having mean value more that median values. The results of correlation analysis have been reported in table no 02, indicate that predictors have positive and valid correlations with response variable. In order to make results valid regression analysis has also been applied, and the results of regression analysis have been reported in table no 03. Motivation and Job Commitment have positive relationship with job satisfaction. The p-value shows the significance of relationship. As p-value is less than critical value, so it can be said that the variables chosen for study have significant relationship with response variables. It implies that more motivated and committed employees will be satisfied towards their jobs and ultimately perform well.

V. Conclusion

The study intends to investigate the impact of work motivation and job commitment on job performance in education sector of Pakistan. Moreover, the study is aimed at examining the impact of work motivation and job commitment on job satisfaction in the education sector of Pakistan. The research design organized for this research was through survey questionnaire personally administered. All the questionnaires have been filled by the employees working in educational sector of Pakistan. The more the employee are motivated the more they are satisfied with their work and be committed with the organization that will lead to higher performance. Motivation is the driving force which attracts the employee to do their best at their work. Organization need to identify the factors which can motivate the employee to perform up till benchmark. Employees can be motivated by different ways like, appraise their performance, giving rewards, performance appraisals, and promotions. Organization try to motivate their employees because it increase employees performance. If an employee is not performing well so the organization need to identify the factor which need to improve whether there is a need of training or lack of employee ability to perform the task. If employees are more committed they are considered more satisfied with their job. Increase in motivation and commitment lead to increase in job satisfaction. The results of the study show that higher the level of motivation and commitment ultimately employees will perform well.

In the light of above finding it is suggested that in order to increase the level of satisfaction among employees the institutions should also focus on other

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motivational factors by giving different rewards and incentives on the bases of qualification, performance in order to boost confidence that will generate loyalty towards jobs.

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Appendix

Table 1 : Descriptive Statistics

	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
JOB	1.29	3.86	2.2714	.50641	.728	.309	1.122	.608
MOTIVATION	1.00	4.29	2.0881	.63294	.809	.309	1.347	.608
COMMT	1.17	4.17	2.3870	.65758	.709	.311	.529	.613

Table 2 : Correlations

	JOB	MOTIVATION	COMMT
JOB	1	.394**	.492**
		.002	.000
MOTIVATION	.394**	1	.116
	.002		.381
COMMT	.492**	.116	1
	.000	.381	

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

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Table 3 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.601[a]	.361	.339	.41299

Model		Standardized Coefficients	t	Sig.
		Beta		
1	(Constant)		3.387	.001
	MOTIVATION	.348	3.238	.002
	COMMT	.451	4.197	.000

a. Dependent Variable: JOB

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Principal Constraints and Challenges of Introducing Effective System of Corporate Governance in Emerging China

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Abstract- In this article, I examine the evolution of corporate governance reforms in the emerging economy of China. I first describe the importance of corporate governance for development and driving forces behind governance reforms in china. After summarizing the evolution of governance reforms in china ,I identify major obstacles that impede their implementation in china namely (A)Highly Concentrated Ownership Structure (B) Lack of Incentives (C) Power of the dominant shareholder (D) Lack of Independence among Directors (E)Underdeveloped external monitoring systems (F) Corruption (G) Frequent Insider Trading (H)Falsification and Fabrication of Financial Data (I) Immature Capital Market (J) Shortage of qualified independent directors (K) Insider Control of Corporate Affairs (L) Weak Supervisory Board (M) Weak Auditing Profession.

Keywords: china, corporate governance, emerging economies.

GJMBR-A Classification : JEL Code: G30, G39

PRINCIPALCONSTRAINTSANDCHALLENGESOFINTRODUCINGEFFECTIVESYSTEMOFCORPORATEGOVERNANCEINEMERGINGCHINA

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I. Introduction

Corporate governance describes the structure of rights and responsibilities among the parties that have a stake in a firm. Research to date on corporate governance has mainly focused on (Western) developed economies.

Thus, relatively little research effort has been devoted to corporate governance issues in emerging economies such as China. These economies, however, provide unique opportunities and challenges for governance practices and research.

II. Why Corporate Governance Matters for Development?

Well-functioning corporate governance mechanisms in emerging economies are of crucial importance for both local firms and foreign investors that are interested in pursuing the tremendous opportunities for inve-stment and growth that emerging economies provide.

From the perspective of local firms, there is evidence that firms in emerging economies (compared with their counterparts in developed countries) are discounted in financial markets because of their weak governance As such, improvements in corporate governance can enhance investor confidence in firms in emerging economies and increase these firms' access to capital.

III. Driving Forces Behind Corporate Governance Reforms in China

While many factors have contributed to governance reforms in China, the most important are arguably privatization and globalization.

Another factor impacting on corporate governance in China, in common with other transition economies, is the relatively underdeveloped market and legal institutions and processes which in advanced market economies act as powerful complementary, external mechanisms for corporate governance. Many of the shortcomings in the actual practice of corporate governance in China derive from weaknesses in the policy and institutional environment as well as from peculiar cultural and political governance

IV. China's Corporate Governance Reforms

China's Company Law is an important starting point in the evolution of China's corporate governance reforms. Passed in December 1993 and effective July 1, 1994, the law was subsequently amended in 1999. China's Securities Law, which became effective in December 1998, regulates capital market issuance, trading activities, and related matters. According to this law, all stock exchanges, securities houses, securities clearing houses, and securities regulators must file regular reports with the State Statistics Bureau for auditing purposes.

It was, however, the corporate scandals and capital flight cases that emerged in mid-2001 (e.g., Caijing Magazine's exposé of an RMB745-million fraud in YingGuangXia [a publicly listed company], the largest economic scandal in mainland China's history) that prompted officials of the China Securities Regulatory Commission (CSRC) and other state regulatory bodies to further improve Chinese firms' governance.

In January 2002, the CSRC released its Code of Corporate Governance for Listed Companies in China, which follows the US regulatory system.

According to PRC Company Law, the basic organizational structure of listed companies comprises

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of three tiers of control, namely the shareholder"s meeting, the board of directors and supervisory board. In addition the stock company is legally required to have a management team.

V. China's Corporate Governance Model

There is little controversy that china"s existing corporate governance concepts and institutions were mainly borrowed from the west, emulating certain important characteristics of both Anglo-American Model and the Germanic- Japanese model. China has adopted the two-tier board structure consisting of a board of directors and a supervisory board. It is for this reason that we observe both the supervisory board from the German-Japanese model and independent directors from the Anglo-American model being brought into China"s corporate governance system. However, unlike the German structure of the supervisory board, the Chinese board does not have the right to appoint and dismiss executive board directors. Also, in contrast with the Anglo-American system, there is no majority control by independent directors on the board of directors in Chinese listed companies. On Kit Tam presented an exhaustive comparison of the two stylized models and Chinese corporate governance arrangements and concluded that the merits of the Anglo-American and the German-Japanese systems did not dominate, either separately or jointly, in the Chinese model.

VI. Challenges of Corporate Governance Reforms in China

"Even in misfortune there is fortune".
-- An old Chinese adage.

The regulatory bodies of China have advocated comprehensive and rigorous corporate governance reforms which emphasize the importance of the credibility and integrity of listed companies, the responsibilities of directors and management, the protection of minority shareholders, and the necessity for information disclosure. Over-regulation and under enforcement are common themes that characterize china"s governance system. Many factors that impede progress in the implementation of governance reforms in China are:

a) Highly Concentrated Ownership Structure

Key problem in China"s corporate governance is the highly concentrated ownership structure in Chinese companies. A 2007 annual report from Shanghai Stock Exchange shows that 65 percent of the listed companies are state enterprises .Currently only individual shares are traded on the securities markets. The fact that state shares and legal person shares are not traded on the securities markets means that more than 60% of the outstanding shares have been excluded from the market. This has reduced the liquidity of the secondary market and has become the main obstacle of operating the market efficiently. The size, share, and scope of China"s institutional investors are still very small. For example, Kim, Ho, and St Giles (2003) estimate about 10 percent of the shares in China"s equity markets are controlled by institutional owners, compared with about 60 percent in the United States (The Conference Board, 2007). Thus the important factor that has seriously hindered the impact of institutional investors on monitoring corporate governance is the large chunk of non-tradable shares controlled by the state.

b) Lack of Incentives

Despite the encouraging changes in China's governance laws, key parties (e.g., regulatory bodies, boards of directors/supervisors, management) do not yet possess compelling incentives to implement these changes. Management does not have strong incentives to implement governance reforms unless they help them accomplish their immediate objectives; for example, the need to gain access to foreign capital has prompted proactive governance practices among some large Chinese firms. Further, outside directors often do not have strong incentives to implement governance reforms. In emerging economies, outside directors are often political allies (in the case of privatized SOEs) or friends and relatives of the senior managers/owners (in the case of family controlled businesses). These directors may represent a dominant interest group but not all shareholders.

The compensation in china is far less than developed country like US.

c) Power of the Dominant shareholder

A closer scrutiny of the governance challenges in China suggests that the central problem in this context is not goal conflicts between management and owners, but rather unaddressed conflicts between the dominant shareholders and the minority shareholders . Because the board derives its power mostly from the dominant shareholder, it is not practical to expect the board to discipline or punish the dominant shareholder; this, in turn, contributes to the ineffectiveness of boards of directors in the Chinese context. There are at least two types of dominant shareholders in the Chinese context.

The first type is state ownership, which is manifested in China's broad range of strategically important industries. When the state dominates a firm, it is obvious that the state can use its influence to achieve the objectives of politicians, rather than protecting the interests of investors and shareholders.

The second type of dominant shareholder is evident in large, often family owned or controlled, business groups. Using social mechanisms, dominant shareholders appoint allies, friends, and family members to top management positions, and these managers may then have incentives to disregard minority shareholders'

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interests. There is weak protection of shareholders‟ rights. Minority shareholders are often regarded as speculators expecting to gain a "free ride" on the company‟s performance. Chinese Criminal Law, Company Law, and Securities Law relatively neglect civil liability and compensation, and have not provided a procedure and specific clauses for enforceable civil actions. In addition, there is no provision for a class action lawsuit under Chinese law and it is very cumbersome for an individual shareholder to sue a listed company for fraud.

In summary, the dual challenge of governance reforms in emerging economies is how to simultaneously resolve the traditional agency problem between shareholders and management, and the unique agency problem between dominant shareholders and minority shareholders.

d) Lack of Independence among Directors

A direct result of ownership concentration is the lack of independence among board directors. According to the 1993 Company Law, the shareholders‟ general meeting holds the right to elect or remove board directors; however, the law doesn‟t specify the nomination process. In the absence of legal specification, it is easy for the dominant owner, often the Chinese government, to nominate all the directors for a company. With strong government involvement, the chosen directors could be symbolic figures chosen to meet the legal requirement for a listed company.

In a 1999 survey of listed companies, Tenev and Zhang (2002) found that only 3.1 percent of all directors had some degree of independence; the vast majority of directors remain under the dominant influence of the government. Without director independence, the call for fiduciary duty and duty of care will be ineffective. Thus before directors can effectively carry out their duties, a fundamental change in the power structure of company boards needs to take place.

e) Underdeveloped External Monitoring Systems

So far, China's corporate governance reforms have mainly focused on internal mechanisms, emphasizing the responsibilities of directors and management and the necessity to disclose information. It is important to note, however, that effective governance is contingent upon the existence and efficient operation of other (external institutional) regulatory, legal, and financial frameworks. The external monitoring system in china is still in its infancy, and this can prohibit the effective implementation of governance reforms in these countries. For example, the Chinese government controls about 70% of the stakes of publicly listed companies in the Shenzhen and Shanghai Stock Exchanges The extremely high ownership concentration in these countries makes hostile takeovers and leveraged buyouts unlikely to occur, which means that as long as a firm's management can appease the dominant shareholder(s), it is unlikely to be challenged.

f) Corruption

Effective government reforms also require determined efforts by government to clamp down on corruption. Over several decades of a centrally controlled and socialist economy, a large parallel black-market economy developed in China in which transactions were carried out in cash and typically not recorded in accounting and financial statements. Most businessmen in China believe that corruption (e.g., kickbacks and "red envelopes") is a necessary condition and a norm for conducting business.

g) Frequent Insider Trading

There is frequent insider trading, self dealings, and collusions in market manipulations. Tomasic and Andrews (2006) attributed the rampant insider trading in China to two factors: the lack of concept for fiduciary duty and inefficient enforcement. China has not reached a commonly agreed translation of the legal concept "fiduciary duty." With neither common law precedents nor civil law definitions in place, many Chinese shareholders and managers are not fully aware of the necessity of avoiding conflicts of interest in corporate context. Another reason why insider trading remains uncurbed could be the absence of class actions in China.

h) Falsification and Fabrication of Financial Data

Doe and Chan (2002) cited a Ministry of Finance survey reported in the China Reform Daily on May 5, 2001, that alarmingly indicated approximately 98.7% of Journal of Accounting and Corporate Governance Chinese companies falsified their earnings in annual reports for the past accounting year. This demonstrates how a company‟s management usually enjoys a high degree of autonomy and often operates outside the confines of the government and CSRC.

i) Immature Capital Market

China‟s immature capital market is characterized by the Chinese banks‟ preferential treatment of state-owned enterprises, the difficulty in issuing corporate bonds, and the lack of preferred shares. The absence of over-the-counter trading and bond trading, coupled with a strict quota for company listing, has both limited capital supply for the Chinese companies not listed in the stock market and twisted the performance evaluation for the Chinese companies that are. In recent years, the difficulty of obtaining permission for an IPO in the Chinese stock market has led high-tech Chinese enterprises to the NASDAQ, although they incur additional costs associated with the cross-cultural information asymmetry.

j) Shortage of qualified independent directors

The governance reforms of China have emphasized the importance of independent directors,

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and the governance laws in china define the minimum number, and the roles and responsibilities, of these directors. A major obstacle to implementing the governance reforms in China, however, is that there are few qualified candidates; that is, individuals who understand and can carry out the role of an independent director. China needs to fill over 3000 independent director positions in its listed companies.

An even more important issue is that most directors view their directorships as sinecures, without real responsibilities. Most independent directors are government officials, university professors, and nominee directors from large financial institutions who have traditionally shown little interest in monitoring the actions of management.

k) Insider Control of Corporate Affairs

Another problem in China"s corporate governance is the insider control of corporate affairs. The resulting lack of separation between ownership and management, together with the potential for conflicts of interest, make it even more problematic to establish a high level of corporate governance.

Despite its majority ownership, the state does not exercise effective control over its companies. The control of China's companies rests primarily with the insider-managers who are often in turn controlled and supported in various forms by their Communist Party and ministerial associates, who do not always act in the interest of the shareholders.

l) Weak Supervisory Board

Given the overwhelming dominance of the government"s influence on boards of directors, the supervisory board in China has not yet played a significant and effective governance role. Since bureaucrats in charge of the company nominate and remove directors and supervisors alike, members of the supervisory board have little say in the major corporate decisions, particularly when their role of overseeing the board of directors has been only vaguely defined in China"s Company Law. No law gives supervisors the right to take civil litigation against board directors or senior managers when they detect company misconduct.

Statistics show that on average, members of the board of supervisors are significantly less educated than members of the board of directors, and most of the supervisors are not experienced enough in accounting and management to perform checks and balances vis-à-vis the board of directors and senior managers.

m) Weak Auditing Profession

Another key problem in China"s corporate governance is the weak auditing profession. Li (2001), an official with the Chinese Institute of Certified Public Accountants (CICPA), stated that Chinese accounting firms are lagging behind international standards regarding qualifications, services, and management. Many Chinese CPAs do not have enough knowledge about international accounting practices and are not well equipped with computer skills, due to a lack of proper training. Moreover, Chinese CPA firms have many problems in their operations because of lack of sound supervision mechanisms, which gives rise to serious fraud cases in the securities market.

VII. Conclusion

Effective corporate governance is crucial to China"s development. It involves many issues and has profound policy and practical implications. In the process of transition from a centrally planned economy to a market oriented economy, China has at least embraced the concept of corporate governance and its underlying principles. However, serious deficiencies may be observed in the current system, such that corporate governance problems arising from China"s transitional emerging economy have arisen to engage the attention of policymakers, regulators and corporate players.

Further studies of international experience in corporate governance need to be conducted so that China can follow new developments and improve existing practices, and devise the best system of corporate governance to facilitate the efficient development of its growing capital markets.

Such a strengthening of corporate governance will play a vital role in ensuring that China"s economic reforms lead to it becoming a major international economic superpower.

"Governance reform is an important (part)
Of the agenda (of many Asian countries)…..
But saying it is much less difficult than doing it.
Implementation and enforcement are key"
~ Chanhyong Rhee, Chief Economist, Asian Development Bank

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How Leaders and Manager's Aptitude Results in Either a Boost or Diminishing Morale of the Employees

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Abstract - Each company would have a pioneer who plays the biggest role in the association, without a strong supervisor the entire chain of command in the hierarchy would not be steady. On top of that, the pioneers would oblige acquiring certain qualities that would guarantee the accomplishment of the organization. Persuasion originating from the leaders has a serious impact on the worker's morale, when positive vibes are created by the head, it will be exchanged consequently to the representative. In this exposition, it has been demonstrated different techniques and conduct that may either help or reduce the disclosure.

Keywords: inclination issues, budgetary and non-budgetary compensation, employee morale.

GJMBR-A Classification : JEL Code: J54

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How Leaders and Manager's Aptitude Results in Either a Boost or Diminishing Morale of the Employees

Abdul Gafor[α], Nur Hafizah[σ] & Dr. Rashad Yazdanifard[ρ]

Abstract- Each company would have a pioneer who plays the biggest role in the association, without a strong supervisor the entire chain of command in the hierarchy would not be steady. On top of that, the pioneers would oblige acquiring certain qualities that would guarantee the accomplishment of the organization. Persuasion originating from the leaders has a serious impact on the worker's morale, when positive vibes are created by the head, it will be exchanged consequently to the representative. In this exposition, it has been demonstrated different techniques and conduct that may either help or reduce the disclosure.

Keywords: inclination issues, budgetary and non-budgetary compensation, employee morale.

I. Introduction

Managers usually accomplish things through other individuals who work under them such as the employees. Managers also mostly do the main and heavy decisions that are needed to be done in the company, divide and pre-plan of the resource that needs to be utilized and immediate the exercises of others to achieve objectives that have been set beforehand. Apart from that, managers are also known as administrators, perform in an organization which is an intentionally composed social unit that capacity on a general consistent basis to achieve their objectives. Generally, managers should perform obligations that are formal and typical in nature and in addition, they also need to obtain the most vital quality in them which is leadership. Leadership is a paramount part of being an effective manager. Not all managers have leadership quality and this may cause inconvenience later on (Stephen P. Robbins, 2013). Employees will need to take after a decent pioneer and will react decidedly to their orders and direction. A poor leader will frequently neglect to win over staff and will have issues corresponding with and sorting out workers productively. Leaders need to accomplish certain qualities to procure the appreciation and consideration of the employees to help inspire and guide them all throughout the journey. Along a couple of significant attribution of a leader would be the yearning to succeed and self-confidence, the capacity to think past the evident and also being multitalented (Stimpson, 2007). For an organization to be effective, worker motivation is an imperative drive. It has likewise been a focal issue for leaders and managers. Unmotivated representatives are prone to spend little or completely no time in their occupations, dodge the working environment however much as could or even leave the association if given the open door and create low quality work. Then again, employees who feel motivated to work are prone to be tireless, imaginative and profitable, and even turning out good work that they eagerly embrace. In all actuality, each representative has diverse approaches to get inspired or motivated. The managers need to get to know their workers exceptionally well and use distinctive strategies to rouse each of them to focus around their particular needs and capabilities (Valencia, 2008)

II. Employee's Innovation

Motivational drivers allude to the components that empower, control and manage conduct in the individual themselves. Casual learning leads to those exercises that are not institutionally supported, yet started at the working environment by workers themselves with the reason to create their expert information and aptitudes (Rijn, 2013). One path for organizations to get more creative is to benefit from their workers' capacity to advance. Workers can help to enhance business execution through their capacity to produce plans and utilize these as building grounds for new and better items, administrations and work forms. Numerous experts and scholastics now support the view that individual advancement serves to achieve hierarchical achievement. To understand a consistent stream of developments, representatives need to be both ready and equipped to innovate. Singular development is vital to a few well-known administration standards, including total quality management (TQM). Singular advancement has been in operation with different ways, case in point, the build has been considered as far as an identity trademark. A great part of the behavioural research on individual advancement has concentrated on imagination, for instance, on how pioneers can fortify more basic and advanced ideas. Adding to that, innovation scholars frequently portray the advancement transform as being made out of two primary stages: the planning and the execution (Jong, 2007).

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III. Inclination Issues

When a manager does not completely captiveted workforce, the organization is more averse to accomplish its destinations. When representatives no more feel intrigued by their employments, organizations will watch a relating decrease in assurance, yield and profit. Supervisors who neglect to address these issues head-on likewise risk their own particular occupations, since the organization depends on them to guarantee that labourers reliably and performance at elevated amounts. Among the example of problems that would be faced by the employers would be diminished productivity. The Wall Street Journal reports, "Administrators who disregard motivational issues face more prominent difficulties throughout bad economic times, when the dread of getting laid off may occupy the worker's from fulfilling the manager's main goals" (Needlemen, 2008). Employees are actually one of the biggest assets of a company; they have rights that need to be achieved as well as their particular needs and want that have to eventually be taken care of. For instance; employees should know in advance if they are going they get laid off, this big step should not be a last minute issue as a back-up resource or plan is needed to be executed. Another fact is if these employees would have to face any additional cut in the pay or so forth. All this should be told in advance to avoid any sort of rumours or speculation (Ray, 2014). On the other hand, Kelly Services' Global Workforce Index of March 2011 showed that a high statistics of a significant vocation change would be because of the negative managerial connections and absence of career advancement as the main motivations for quitting work. As these discoveries recommend, managers who take minimal enthusiasm towards their workers profession objectives tends to confront the problems of undertaking a procedure to discover their substitutions (Experience Outweighs Education as Key Driver of Career Progression, 2011). Another inclination issue that has to be considered is the lack of ethics of the management. As quoted by Edward Deci, a Rochester University psychologist, "attempts to ensure loyalty through bonuses or similar financial incentives often backfire on companies that don't consider all the implications". If the authority assumes that financial prizes feel coercive for workers who do not believe an organization's administration any longer. Additionally, constructing a corporate society on monetary impetuses may rouse genuine moral alternate ways among workers looking to claim them. The ensuing scramble makes it troublesome, for directors to advertise an organization's centre qualities. Once motivation goes downhill, automatically the company's performance will tend to deteriorate. The moment employees lack in engaging with their duties emotionally, consequences that may affect the company's reputation may occur. Workers may tend to skip working days and pretend to be sick or doing terrible things to jeopardize the company (Heibutzki, (n.d))

IV. Encouraging Elements

Worker's inspiration could be characterized as the "psychological compels that focus the heading of an individual's conduct in an association, the level of exertion, as well as the person's level of determination". It is vital to comprehend that an employee inspiration is a different and unique understanding that separates from the basic motivation. Employers who comprehend and fully support the theory of inspiration have a more noteworthy capability to understand what spurs workers, to acquire the worker's ability and hence obtain the benefit of more prominent authoritative gainfulness. The objectives that have been preparatory set should not be a principle centre of administration and definitely not at the cost of swaying individuals to understand their potential capabilities (How to Motivate Employees, 2007).

The first and most common manner of rewarding an employee would be the financial system, most people today work for the benefit of their salary but this factor should not be mistaken to be the as the only reason why employees perform well at work. On the off chance that managements can elevate inspiration without adding to pay bill then unit expense will fall tremendously and competition among the workers will additionally build in a critical way (Performance Rewards). The focused explanations behind the developing attention on execution based remuneration are organizations cutting expenses, rebuilding, and boosting execution. In any case, individuals were seen to be roused without anyone else present investment and were quick to acknowledge the test of augmenting their salary (Velnampy, 2009).

V. Budgetary Compensation

Among the common payment system would be the hourly wages rate. The pay level is generally controlled by multiplying the amount of hours of work with a prefixed sum. The favourable circumstances of having the hourly-wage rates would be that labourers will have a tendency to not surge their work which will bring about higher quality of finished results. The pay rates could be acclimated to distinctive level or abilities needed for the task, and likewise for the executives, the work expense might be pre-calculated to focus the cost for the item. However, this technique likewise accompanies a few burdens, the employees may take additional time to make a specific chore as the time to do the works may be dragged, and compensation for these labourers would still have to be paid regardless of the fact that production must be ended in any circumstances (Stimpson, 2007).

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On the other hand, another paying system would be the salary. Salary is the yearly aggregate that is paid for the most part on a month to month premise to generally professionals, supervisory and administration staffs. This figure is settled every year and does exclude the amount of hours worked or the amount of merchandise or administrations delivered. In many associations, comparable employments will be put in various compensation groups and the wage gained will be subordinate upon experience and advancement. The profits of this monetary gain would be that it provides an altered level of security for the worker, and additionally a status as well. Another benefit would be that the compensations would not change in one year. then again, the detriments of this for the administration is that the wage is not related to the level of profit importance they would need to pay the employees a settled measure of pay in any case of the level of brought to the organization (Oyer, 2008).

The third method of financial reward would be commission. This is commonly utilized within individual offering where the sales person is paid a certain rate of commission upon the deals picked up. This basis may make up the entire 100% of an individual's wage or it may even be an expansion after an altered compensation. The following system would be the performance-related pay (PRP). This is a technique to compensate staff for a better than ordinary work performance. It is otherwise called a bonus. This strategy is basically for representatives whose yield is not quantitatively measurable. This kind of staff would have a focus to fulfil before accepting their reward. The focal target of this system is that it persuades staff to enhance their work performance to hit the target set and give them a heading to seek after. The inconvenience for this system is that it can neglect to propel staffs that are not slanted towards monetary inspiration. The staff may have compelling focused edge that contention may happen among partners, and cases of preference by managers can additionally hurt the positive environment at the working environment (Thozhu, 2007).

On the flip side, another method would be profit sharing. This routine imparts a portion of the organization benefit to the shareholders and additionally the staffs, this strategy is carried out fundamentally to permit the staff to fill more dedicated to the accomplishment of the business and will attempt their best to attain higher performances and expense reserve funds. Some profit sharing plans does not offer trade yet experience for money in the business to every specialist when the firm announces a benefit. This is to secure the staff gets as a major aspect of the business and decreases the clash that may exist. A few preferences of this technique would be that it abatements clash among holders and the representatives, intended to prompt a higher specialist exertion levels and the business is liable to pull in better selects attracted to the benefit imparting premise. The weaknesses; however is that the reward is not nearly related to the individual exertion and it may be exorbitant to set up and work (Fidan Ana Kurtulus, 2011)

VI. Non-Budgetary Strategies

A few studies have observed that among several employee who has taken a survey, money was not the most important motivator, and in a few occurrednces, supervisors have discovered cash to have a demotivating or negative impact on workers. Associations receive option reward frameworks to build provincial and worldwide rivalry. The focused purposes behind the developing stress on performance-based recompense are organizations cutting expenses, rebuilding, and boosting performance. Compensating performance ought to be a progressing managerial action, not only an annual pay-joined custom (Woodruffe, 2006).

A fringe benefit is a manifestation of pay for the execution of administrations. These benefits are a generally utilized in a non monetary impulse for the employees and there are numerous options that might be utilized. A couple of case of fringe benefits would incorporate the usage of the company vehicles, free insurance protection and annuity plans, rebate on items and considerably more. These benefits are utilized by the business within expansion to typical instalment frameworks to give credit and status to higher level employees. Leverage of this system is that the benefits the organization offers to the workers would help to enlist and hold the best staffs in the organization (Artz, 2010).

Job rotation is an example of non-monetary techniques for inspiration. This encourages the employee to accomplish more than one task by rotating from one job then onto the next. This may assuage the staff from being bored or tired of doing the same thing over and over and permits the staff to be multi-capable.

Other than that, job enrichment includes the rule of sorting out work so that employees are supported and permit the utilization of their true capability. Labourers will need to assume ownership over their own particular work permitting them to tackle it on their own. The staff likewise will accept immediate input on their execution to permit the workers to get a feedback on their execution (James R. Maxwell, 2008).

Moreover, recognition and praises from managers is reliably discovered to be among the most vital inspirations. Workers need to be perceived and feel that their commitments are recognized and this will automatically increase the level of self-esteem. It is imperative that directors perceive the worth and criticalness of genuinely thanking workers verbally and in composing for their particular commitments (Performance Rewards).

Delegation and empowerment is also a good factor to motivate the employees, this include the passing down of power to perform errands to workers.

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Adding to the fact that empowerment goes further, permitting staff to some level of control over how the undertaking ought to be attempted and practised (Baruch)

VII. Guidance and Advancement

Motivation could be ingrained in numerous strategies and guidance in progression that assumes a critical part in doing it. The administration's part is to guarantee that the staffs are generally prepared to perform the obligations and embrace the obligations given to them. This typically includes training as to create the full capabilities of the representative. There are many sorts of training methods that could be performed by the organization to encourage the employee. For instance, induction training is at the very beginning. This is usually done when the employee first join the company. Initially, the staffs are introduced to the other employees who they will be working close with; explain the internal environment of the company and ensuring the basic health and safety concern. Secondly, on-the job training which means that the trainee would work closely with a senior or a person who knows the job well to learn the methods and the tips and tricks of the job. This way is cost-saving for the company as they do not have to send the employee for external training. Third, off-the job training that includes learning about the job away from the usual working environment. This could be an expert preparing focus fitting in with the firm itself or a course sorted out by an outside body. These courses are typically exorbitant yet they may be essential if the firm needs anybody with this level of specialized information. Preparing and direction may be a substantial financing of the organization on the staff, yet it will typically deliver better quality and final result at the end of the day. This is on the grounds that, untrained staff will typically be less beneficial and will give a less palatable client administration. Without any push, specialists may get exhausted and unmotivated.

Besides, advancement and appraisal of staff has to be a consistent process. Development may take a type of new difficulties and in addition to open doors, extra instructional classes to learn new abilities, advancement and employment enhancement. Individual's advancement and change should be equipped to the needs of the firm.

Furthermore, appraisal is a crucial part of a staff development program. The division of the achievement against preset and concurred targets joined with new targets permit the future exhibitions of the specialist to be connected to the goals of the business (Kristjan Laane, 2013).

VIII. Wellbeing and Security

Fundamentally, advanced workers are extremely concerned for their safety around work environment, in the event that it does not meet the general security prerequisite, the organization could be sued. Security is not just the most well-known unsafe territories, for example, the track lines, or building destinations, risk in an ordinary office environment is likewise mulled over. Case in point, unreasonable machine utilization, or sitting in a same position for a few hours that may cause spinal pain or injury is also included. The security feature is an obligation of both the employer and the employee. At the point when the working condition is helpful and agreeable, the staffs are more inspired to drive their competencies to an excellent level. Evading unfavourable exposure as an after-effect of mishaps at work or long haul dangers to wellbeing as a result to working condition can have a positive impact of the general population picture of the organization or business. Among the few cases that needs to be dealt with would be, assurance from hazardous hardware, defensive attire when necessary, restricted hours of presentation to harmful chemicals, keep up sensible environment temperature, hygienic conditions, washing facilities and so on. Security and safety of the staffs of a specific organization goes hand in hand with the ethical conduct (Game, 2007) At the point when the worker gets debilitated or harmed at work as an after-effect of working conditions, it's not only the person who is influenced. To avoid postponements or a halt in production, their individual work would need to be given to other employee for the time period that the harmed staffs are off work. In the event that the worker is not able to come back to the employment whatsoever, the time needed for recruitment and preparing is the substitution. Thus, it influences employee morale, expands organization protection expenses and eventually drives up the cost of items and service that get passed on to buyers. Furthermore, the harmed specialist's feeling of respect toward oneself and the anxiety of attempting to manage doctor's visit expenses and living costs will also rise (Hamlett, 2014). An example of an incident that occurred would be the Triangle Shirtwaist Factory Fire in New York in 1911. 150 workers were nearly burned to death and trapped at their own working quarters or jumped and died from a raised building to avoid the fire. A few reasons were assumed to be the cause of mishap such as the overheated machinery, lack of ventilation, broken elevator and so on (Triangle Shirtwaist Factory Fire (1911), 2011)

IX. Discouraging Influences

Worker's de-motivation may be one of the worse things that could happen in an organization. Numerous things will begin going downhill if the workers do not perform well any more. It is significant to truly listen and react to your employees' necessities to guarantee a higher level of engagement all through the company. Recognizing the cautioning problems of de-

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motivation early and tending to them rapidly can increase worker happiness, contentment and the ability to maintain the staff's capabilities. Absence of fulfilment and inspiration may cost the company billions in lost in profit. Furthermore, de-motivation is contagious especially when one uninspired worker who continually dens about work or other undesirable elements can rapidly deal with de-motivating others as well. Associations are inclined to the dangers of de-motivation at all times. Most issues developed over years, and they may take years to settle as well (Pollitt, 2008).

Among the reasons why de-motivation happens at working environment would be due to the absence of future career vision. In the dominant part of cases, cash is just one a piece of a representative's inspiration. Most individuals need to have clear vocation targets set up to feel that there is movement for them inside their association. Profession visioning might be a valuable process in setting clear, long haul objectives for a worker with the goal that they can proactively work towards anticipated conclusions (Martins, 2007).

Second, would be occupation unreliability. Representatives who work for precarious organizations or in occupations regarded expendable will just contribute enough to continue getting their pay check while they look somewhere else. Whatever is left of their vitality will be gone through by updating their resumes and arranging their next move. Pioneers would think that it hard to be keeping the best ability at the organization when in beset times. The best that is possible is to impart regularly, and give the group a feeling of reliability and trust.

Third, there would be a point at which the employee does not have trust on the organization's administration. When they have lost confidence towards where the organization then the loyalties would have a tendency to shred and may stop listening to the requests of the employer. In the event that solid leadership is deteriorating or is contrarily influencing the standpoint of the group, certain representatives may begin to feel discouraged. Pioneers must have an adaptable, comprehensive methodology in dealing with a group and have the capacity to convey plainly whilst imparting certainty and focus. If there is a specific group or individual that requires inspiration in the business, it may be because of an absence of great administration. As quoted by Anders (2013), a recent study that confirms the importance of excellent workplace leadership, saying, "bosses who inspire confidence, who show faith in their employees, and who communicate an inspiring vision…are rewarded with a workforce that is ready to get things done" (Anders, 2013).

Next would be the point at which the workers are administered by fear. Supervisors who administer through unbending control, antagonism, and an atmosphere of nervousness and fear for the most part work like that on the grounds that they do not assume their capability to accomplish things in any possible way. Yet it winds up in reverse discharges with the fact that frightful representatives would not raise new plans for apprehension of being assaulted and would not be truthful about issues. Additionally, not many incredible individuals with alternatives need to work for a director who rules with an iron-fist, as time passes, these administrators have some difficulty drawing in good labourers. Plus, when administers make irrational requests is likewise a significant hindrance. Holding representatives to an exclusive requirement is a decent thing. Anyhow a few supervisors act unbecomingly from holding individuals to an elevated requirement to pushing them to the verge. Supervisors who demand that individuals work throughout the weekend to finish an extend that is not time-sensitive, authorize really nonsensical due dates, or request that a worker do the genuinely unthinkable are motioning to their staff that a sensible individual's concept of excellence will never be sufficient for this ruler and thus, cause a drop in confidence and profit (The ethical call center where people clamor to work: Bid to become beacon of high morale and low staff turnover, 2006).

To top it off, some managers are not capable to stick to a choice about the most important way for workers to invest their time. One week, they should drop everything to deal with the first issue for one month. Three days after the fact, the manager has a thought for the second issue thus the first issue is overlooked. The one week from now, he needs all your vitality concentrated on undertaking a whole other job. Subsequently, employees quit considering any of the work as important, knowing for a fact that there will be no reason for providing for it especially when the necessities will change soon at any time. They do not appear to have a take after an altered approach which may baffle those working under them. An alternate unfortunate propensity of theirs is to evade any issues that happen. A few supervisors evade clash and conflicts at all cost. This regularly detracts the manifestation of avoidance to execution issues, hesitant to make important course revisions to a task for alarm of offending somebody, or not interceding when an alternate division is making detours. Incidentally, while these supervisors are simply attempting to be liked by all party, the inverse happens: As issues go uncertain and problematic choices go unmade, staff parts develop baffled and lose inspiration to work at an elevated amount (Valencia, 2008).

X. Assessing Communication

Communication is the basic interchange of message between individuals. It is greatly vital for correspondence to be effective at passing the message. Great relational abilities go past conversations, yet workers must know how to convey well in composed reports and formal emails. Everybody in the working

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environment has his or her style of correspondence. The capacity to speak well with other people who may have an alternate style is imperative at work. Listening to and understanding what the other individual says, and in addition having the capacity to express what is on one's mind, is what viable correspondence is about. In a working nature, where numerous individuals of diverse culture and identities interface every day, the competence to viably convey gets discriminated to the accomplishment of the office and the company. Trust and great community oriented working connections is fabricate through correspondence. It is the technique to impart the messages to others, is also a piece of group building, client administration, conflict resolution and is one of the main necessary factors. Without effective communication, the whole organization may breakdown (Martins, 2007).

Conveying in the work environment is loaded with difficulties and might be an exceptionally troublesome undertaking at times. It takes a solid feeling of self control and particular trust to permit oneself to get open to their associates that they communicate with. The quality and viability of inward correspondence can have an effect in numerous segments of a business. For example, staff motivation, this will seriously influence their gainfulness if they communicate effectively. They will be more urged to participate and get included in any exchange, in this manner permitting better motivation and more noteworthy aptitudes. At that point, it likewise assists with the number and quality plans produced by the staff, once they realize that their thoughts are acknowledged and really utilized and executed as a part of the organization, a greater amount of them will voice out and this clearly will help to support the association level. To give an example of a company that practises this habit, Volkswagen set up a great example by having sessions where employees give ideas on how to improvise the work management and also the production process. They have something called the 'Ideenmanagement' unit. This step has become the key measure and also motivation for the employees as they feel what they say and think matters to the higher authority. In addition to that, they also provide short training courses as well as skill development for the employees to enhance themselves for the benefit of both; individually and the company. In the year 2012, a total of 536,532 suggestions and ideas were received from the employees, and the best thing about it is that they accepted 380,475 of these suggestions and this had increase the efficiency as well as reduced the cost by €358.1 million (Ideas Management, 2012).

Unfortunately, there are also barriers to effective communication, and once communication fail, problems will start arising. Example of obstructions would be the when dialect medium is inappropriate. If the message passed has specialized dialect and outlines, clarification through the telephone would be an issue or if a receiver overlooked a piece of a long message given to him or her, would also lead to a misdirecting or fragmented message to the accepting party. Numerous procedures may stop partially if the fact that the message passed was not right. Furthermore, unreasonable utilization of specialized terms or language may not be seen by individuals who is not in the "group", and again the receiver will neglect to understand what is intended. Other than that, certain managers dislike their time being squandered by workers who is not ready to abbreviate an extensive message, in some cases not by any means permitting the essential information transfer; the representatives may be cut off. In extensive associations, if the channel of correspondence is excessively long, the messages that should achieve the planned receiver may get contorted or the importance may be changed along the way (Stimpson, 2007).

Poor attitude and character of the sender or receiver may also harm the nature of the message passed along. In the event that the sender is somebody that is not trusted, the receiver may be unwilling to listen to the message precisely. Other than that, unmotivated staff makes poor receivers in light of the fact that labourers with minimal enthusiasm with their work would not take any inconvenience to pass the message effectively. They might likewise choose not to pass the message or even change the substance in the event that they are defectively spurred. Interpersonal obstructions are what that is keeping people from contacting one another and opening themselves up to be listened, as well as to hear others. This could be the most troublesome range to change. Some individuals use their whole lives endeavouring to overcome a poor mental self image or an arrangement of profoundly established partiality about their spot in the society. They are not able to structure certified associations with individuals on the grounds that they have an excess of false observations obstructing the way. Fortunately, the cure for this is more correspondence. By captivating with others, what are the genuine qualities and shortcomings are permits individuals to advance their plans in a reasonable, clear way. Correspondence is not a restricted road (Goh Choon Hua, 2007).

XI. Trade Unions

Whatever said or done, employees still do have a safety net beneath them which is known as the trade union. It is a group of working individuals with the thought of enhancing the pay and working states of their associates while giving back in return as well as lawful administrations. Trades unions arrange in the interest of their members and spot them in a stronger position. Once a worker knows there are individuals behind them to help, they are better spurred to perform at work on the grounds that they know incredible damage is not capable of happening to them. They offer various

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clarifications for their finding of a positive union impact on benefit. Separated from lower quit rates, three other conceivable clarifications are proposed, position based prizes, better employment generation principles, and more management and worker correspondences. The imposing business model face of unions can likewise help to allow limitation as well as improving effectiveness (Verma, 2005).

Nonetheless, unions do strive for employees and accomplish different objectives that are similarly paramount to them and their parts, in particular, reasonable medication from administration. This part of unionism is particularly imperative in considering the effect of unions on administration conduct. Interest for decency heads the union to get into nearly every territory of regular managerial choice making at the work environment level. One approach to acquire better proficiency is to roll out improvements in territories over which administration has selective control. Unions giving workers a voice in work environment matters is an essential objective. Along these lines, unions are eager to seize each chance to address and adjust managerial choices, at whatever point conceivable.

Moreover, the union is able to benefit both the employers and the employees in various ways. for instance, the bosses would have the capacity to arrange with one officer from the union instead of an individual staff, likewise the union framework could give an extra channel of correspondence with the specialists, a deeper meaning of this would be that the worker would appreciate a two path correspondence, the employee issues could be raised with administration by the union and the arrangements of the management could be talked about by means of the union association. Other than that, unions can take disciplinary actions on workers who plan to make rushed, hasty move that could disturb a business. At long last, the development of dependable unionism has given the management an important gathering for examining issues of basic interest and making new understandings, this will prompt build gainfulness which would lead to higher net revenue (Michael Dempsey, 2009).

XII. Discussion

Fundamentally, employees are the greatest possession of an organization. Unfortunately, very few pioneers and administrators realize that. In their supposition, employees are simply a part of their workforce who is there to accomplish the work. This kind of thoughts could truly hurt the gain of the organization as the employees do not appreciate to be underestimated. As an exchange, they would like to be acknowledged and get profits from the organization for what they give. Henceforth, it is indispensable to support employee morale to acquire profits for the organization, it is to a greater degree of a 'win-win' circumstances. Labourers' can help to upgrade business execution through their ability to create plans and use these as building grounds for new and better things, organizations and work structures. Essentially, administrators would need to enthral the workforce acknowledging the end goal is to meet the objectives. Leaders who take insignificant eagerness towards their labourers calling goals have a tendency to face the issues of undertaking a method to find their replacements. It is imperative to appreciate that an employee impulse is an alternate and remark-ble comprehension that differentiates from the fundamental inspiration. Employees would certainly look for any kind of returns in return of the work gave. Case in point, they would prefer it in a fiscal way, for example, pay and commissions or even in non-financial alternatives, for example, health benefits and protection strategies. Labourer's de-inspiration may be one of the worse things that could happen in an association. Various things will start going downhill if the specialists stop performing well any more. The normal person adapts, under legitimate conditions to acknowledge as well as to look for obligations. A great example for this case would be Google, they treat their employees with no difference and their production level is amazing. In depth, Google allows employees to bring their pets to work, wear any types of clothes they prefer, free food as much as they want and at any time they want. All these may seem small and tedious but it brings great joy to the employee and in return they would like to return the favour to the company by working in a better way. Google also allows the organizations to give loose situations where gathering intuition is raised and cooperation is vital to design the following item that could change the cutting edge (Cook, 2010). These new organizations grasp little individual business visionary gatherings and disregard the tight micromanaged environment of customary organizations. These organizations have scrapped the worker of the month carport and increased present expectations on how associations can have genuine come about by compensating representatives (Aileron, 2011). Google has inspired many employees to perform extremely well without the need of pushing them or the necessity of extreme training, the employees are so happy that they are willing to perform their best without any push.

XIII. Conclusion

In a nutshell, inspiration is important essentially because it permits the manager to meet and even surpass their targeted objectives. Employee inspiration is the level of vitality, duty, and a higher level of innovativeness that an organization's worker applies to their occupations. In the undeniably aggressive business environment of late years, discovering approaches to propel workers has turned into a pressing sympathy toward numerous directors. Once at this crossing point,

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there are just two conceivable last goals: the end of the company or fix the motivational issues among the workforce. Worker inspiration can at times be especially tricky for little organizations, where the holder regularly has used such a variety of years building an organization that he/she thinks that it hard to delegate genuine obligations to others. When leaders perform well, treat employee with equality and respect, everything will fall in place. As the level of technology at this era keeps expanding, employees are able to voice out if they are treated badly. Managing people is not an easy thing to do, but if proper training and education is given it could work with tremendous improvement from all sides of the organization. The theory proved by Abraham Maslow of the hierarchy of human needs would suffice the whole topic. His research was not just based on people specifically in the workforce but more of a general scenario. Maslow tried to figure out the main needs that the human being claims to have. When there is a need, humans will tend to set their direction of action towards their needs in particular. Individuals start at the basic level and once the criteria in it has been fulfilled, they will then move on towards the next level and this will go on till they reach the second highest level. The highest level which is the self-actualization is not a target by many people. Only selected few who are in real depth would try their best to reach that stage. Once a need has been satisfied, humans will no longer be motivated to achieve it, which related back to the topic. They work to earn something in return, but a stage will come where it will stop and no matter how much training or inspiration is given to one, they will just tend to look past it. "Once material needs have been satisfied, the offer of more money will not increase the level of productivity" (McLeod, 2007). As a conclusion, for a company to succeed well both the employers and the employees would have their respective roles to play. Regardless of whatever that is given, the performances of both parties are from one's inner self.

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Dividend Policy and Firm Performance: Evidence from the Manufacturing Companies Listed on the Colombo Stock Exchange

By T. Velnampy, P. Nimalthasan & K. Kalaiarasi
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Abstract- *Purpose:* The main thrust of this study is to find out the relationship between dividend policy and firm performance of listed manufacturing companies in Sri Lanka.
Design: A set of listed manufacturing companies have been investigated to using the data representing the periods of 2008 – 2012.Returns on equity and return on assets were used as the determinants of firm performance whereas dividend payout and earnings per share were used as the measures of dividend policy. The statistical tests were used includes: descriptive statistics, correlation and regression analyses.

Keywords: *firm performance, returns on equity, return on assets, dividend policy, dividend payout, earnings per share, sri lanka.*

GJMBR-A Classification : *JEL Code: L69*

DIVIDENDPOLICYANDFIRMPERFORMANCEEVIDENCEFROMTHEMANUFACTURINGCOMPANIESLISTEDONTHECOLOMBOSTOCKEXCHANGE

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Dividend Policy and Firm Performance: Evidence from the Manufacturing Companies Listed on the Colombo Stock Exchange

T. Velnampy[α], P. Nimalthasan[σ] & K. Kalaiarasi[ρ]

Abstract- Purpose: The main thrust of this study is to find out the relationship between dividend policy and firm performance of listed manufacturing companies in Sri Lanka.

Design: A set of listed manufacturing companies have been investigated to using the data representing the periods of 2008 – 2012.Returns on equity and return on assets were used as the determinants of firm performance whereas dividend payout and earnings per share were used as the measures of dividend policy. The statistical tests were used includes: descriptive statistics, correlation and regression analyses.

Findings: The study found that determinants of dividend policy are not correlated to the firm performance measures of the organization. Regression model showed that dividend policy don't affect companies' ROE and ROA. Further recommendations are also put forwarded in the research.

Research Limitations: The study only used data from the 2008-2012 annual reports. However, the findings have highlighted the effects of the firm performance and dividend policy.

Originality: The study contributes to literature in Sri Lanka. Furthermore, the finding of the paper can be considered as helpful for managers and users that are anxious to develop financial description quality and practices of dividend policy.

Keywords: firm performance, returns on equity, return on assets, dividend policy, dividend payout, earnings per share, sri lanka.

I. Introduction

Dividend Policy has attracted great interest over the past decade. The widely held view that dividend policy has an impact on the firm performance has led to increasing global attention. Sri Lanka a developing economy is not immune to these developments. Investment activity is an activity faced with various risks and uncertainty condition which is mostly difficult to predict by investors. There is much information, not only achieved from the performance of the company, but also other relevant information, such as economic condition and the political situation in a country which are needed by investors to reduce the risks rate and any uncertainty that possibly appears. Information which is achieved from a company is commonly based on the company's performance, reflected from the financial report. Based on the report, investors could understand the company's performance and its capability to raise profits.

Dividend represents a distribution of earnings to the shareholders of a company that are usually declared at Annual General Meetings and paid to shareholders of record. Dividend or profit allocation decision is one of the four decision areas in finance. The other three are financing, investment, and working capital management decisions. As noted by Ross, Westerfield and Jaffe (2002) companies view the dividend decision as quite important because it determines what funds flow to investors and what funds are retained by the firm for investment. Dividend policy can also provide information to stakeholders concerning the company's performance.

Generally, the main purpose of investors when investing their assets is to search for income or the rate of return. Dividend is one of the sources of income in such circumstances; each company is forced to operate with high efficiency in order to maintain the quality and capability of competing to raise a net income with the best result. Therefore, a company determines dividends policy to look forward the profit gained that will be allocated into two components: dividends and retained earnings.

II. Review of Literature

The dividend policy and firm performance theories mentioned in section, dividend policy has been analyzed for many decades, but no universally accepted explanation for companies' observed dividend behavior has been established (Samuel & Edward,2011).The behavior of dividend policy is one most debatable issue in the corporate finance literature and still keeps its prominent place both in developed and emerging markets (Hafeez & Attiya, 2009).Pruitt and Gutman (1991) found that the following factors are important influences in the amount of dividends paid, current and past years' profits, the year to year variability of earnings, the growth of earnings and prior years' dividends.

Foong, *et al* (2007) observed that although firms do not have obligations to declare dividends on common stock, they are normally reluctant to change their dividend rate policy every year as the firms strive to meet stockholders' expectation, build a good image

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among investors and to signal that the firm has stable earnings to the public. Many researchers have tried to uncover issues regarding the dividend dynamics and determinants of dividend policy but we still don't have an acceptable explanation for the observed dividend behavior of firms (Black, 1976; Brealey & Myers 2005).

Rozeff (1982) is one of the first to propose a role for dividends in reducing agency-related losses, substituting for other bonding and auditing costs incurred by the firm. He finds that ownership concentration is negatively related to payout, which is consistent with the argument that greater insider concentration results in better monitoring thus reducing the need to pay dividends.

Kale and Noe (1990) in a related study opined that a firm's dividend basically indicates the stability of the firm's future cash flows. A review of related prior studies shows further that the main factors that influence a firm's dividend decisions include cash flow considerations, investment returns, after tax earnings, liquidity, future earnings, past dividend practices, inflation, interest, legal requirements and the future growth projection.

Dividends are compensatory distribution to equity shareholders for both time and investment risks undertaken. Such distributions are usually net of tax and obligatory payments under debt capital and they represent a depletion of cash assets of the company (Lipson *et al*., 1998). Amidu (2007) Investigated that dividend policy affects firm performance as measured by its profitability. The results showed a positive and significant relationship between return on assets, return on equity, growth in sales and dividend policy.

Oskar, Ivan, Oleksandr, Diw (2007) pointed that two perspectives. First, explore the determinants of the dividend policy in Poland. Second, test whether corporate governance practices determine the dividend policy in the non-financial companies listed on Warsaw Stock Exchange. The findings are based on the period 1998-2004. Quantitative measures on the quality of the corporate governance for 110 non-financial listed companies. These results suggest that dividends may signal the severity of conflicts between controlling owners and minority shareholders. Those dividends in Poland have less of a signaling role than in the developed capital markets.

Zeckhauser & Pound (1990) revealed that found out that there is no significant difference among dividend payouts with or without large block shareholders. Dividend policy is the regulations and guidelines that a company uses to decide to make dividend payments to shareholders (Nissim & Ziv, 2001).Miller and Modighani (1961) were the first to demonstrate that under certain assumptions (perfect market conditions, rational behavior and perfect certainty), the value of the firm is independent of the way the firm chooses to finance its investments and that all that matters is the firm's investment opportunities.

III. Objectives of the Study

The following objectives are taken for the study.

1. To determine the relationship between firm performance and dividend policy for manufacturing companies listed on CSE.
2. To determine the impact of firm performance on dividend policy of manufacturing companies listed on CSE.

IV. Research Question

- ✓ Is there any relationship between firm performance and dividend policy of manufacturing companies listed on CSE?
- ✓ Does firm performance of manufacturing companies listed on CSE have an impact dividend policy?

V. Data Collection

Data on dividend policy and firm performances were collected from secondary sources as Annual reports of the manufacturing companies, Colombo stock exchange publications and URL of the Colombo stock exchange for the period of 2008 to 2012.

VI. Sampling

The Colombo Stock Exchange (CSE) has 287 companies representing 20 business sectors as at 31st January 2013. Out of 37 Manufacturing companies 25 companies were selected for the present study.

VII. Methodology

The following dividend policy and firm performance are taken into accounts which are given below.

Table 1 : Calculations of Dividend Policy Ratios and Firm Performance Ratios

Dividend Policy	
Dividend Payout	Dividend Per Share (DPS) / Earning Per Share (EPS)*100
Earnings per Share	Net Income-Dividends on Preferred Stock/Average Outstanding Shares
Firm Performance	
Return on Equity	Net Income /Shareholders fund * 100
Return on Assets	Net Income /Total Assets*100

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The purpose is to describe the research methodology of this study. Since the aim of the study was to test the effect of dividend payout on firm performance, the design of the methodology was based on prior research into these relationships. This section describes the method of data collection, the variables used to test the hypothesis and statistical techniques employed to report the results. The regression models utilized to test the relationship between the determines dividend policy such as dividend payout (DIP) and earnings per share (EPS)and firm performance such as return on equity (ROE), and return on assets (ROA) are as follows.

$$ROE = \alpha_o + \alpha_{1DIP} + \alpha_{2\,EPS} + \epsilon$$

$$ROA = \alpha_o + \alpha_{1\,DIP} + \alpha_{2\,EPS} + \epsilon$$

VIII. Conceptual Frame Work

The following conceptual model was formulated through the extensive literature.

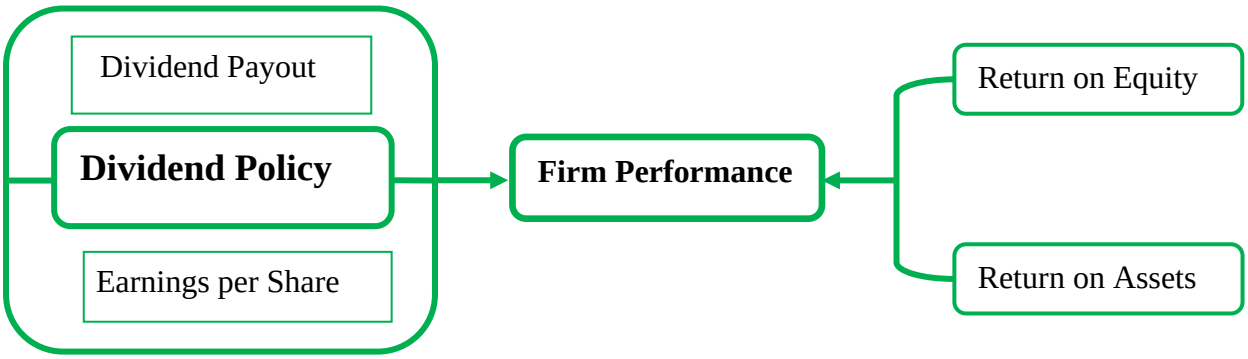

Figure 1 : Conceptualization Model

The above model shows the relationship between the determinants of the dividend policy and firm performance.

IX. Hypotheses

The following are the hypotheses formulated;

H_1: There is a significant relationship between firm performance and dividend policy.

H_2: There is a significant impact of dividend policy on firm's performance.

X. Analysis and Interpretation

Descriptive statistics were carried out to obtain sample characteristics. Output of the descriptive statistics is presented in table 02.

Table 2 : Descriptive Analysis

	N	Range	Minimum	Maximum	Mean	Std. Deviation
Return on Equity	25	106.65	-47.25	59.40	8.9894	18.55674
Return on Assets	25	97.01	-8.25	88.76	14.3020	18.58527
Dividend Payout	25	663.29	-144.47	518.82	38.1600	108.26356
Earnings per Share	25	81.91	-3.71	78.20	7.7017	15.53814

According to the descriptive statistics in table 02 for the independent variables indicate that average debt equity ratio and debt assets ratio. The descriptive statistics, data are well set, further return on equity, return on assets, dividend payout and earnings per shareare in the same level approximately among all the listed manufacturing companies in Sri Lanka.

Correlation analysis was carried out to find out the relationship between determinants of dividend policy and the measures of firm performance.

Table 3 : Correlation Matrix for manufacturing companies

	Return on Equity	Return on Assets	Dividend Payout	Earnings per Share
Return on Equity	1	.480*	-.069	.235
		(.015)	(.744)	(.259)
Return on Assets		1	-.200	.220
			(.337)	(.291)

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Dividend Payout			1	-.115 (.584)
Earnings per Share				1

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

According to the correlation in table 03 shows that the determinants of firm performance such as return on equity, return on assets, are not significantly correlated with dividend payout and earnings per share as the measures of capital structure it means companies are still not properly practiced dividend policy guidelines.

The regression analysis was performed to recognize the impact of firm performanceon dividend policy. The results of the analysis are given in Table 04 & 05.

XI. Regression Analysis

a) Impact of dividend policyon firm performance

Table 4 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.238[a]	.057	-.029	18.82370
2	.282[b]	.079	-.004	18.62582

a. Predictors: (Constant), Earnings per Share, Dividend Payout

a. *Dependent Variable: Return on Equity*

b. *Dependent Variable: Return on Assets*

The specification of the two variables is earnings per share and dividend payout in the model revealed the ability to predict firm performance and dividend policy. R2 Value of 0.057, and 0.079 which are in the models denote that 5.7%and7.9% of the observed variability in firm performance and dividend policy can be explained by the differences in both the independent variables namely earnings per share and dividend payout.

Remaining 94.3% and 92.1% of the variance in firm performance and dividend policy is related to other variable which is not explained, because they are not depicted in the model. R2 values of 5.7% and 7.9% indicate that there may be number of variables which can have an impact on firm performance and dividend policy that need to be studied. Hence this area is indicated as a scope for future research.

Table 5 : Coefficients for predictors of dividend policy

Model	Unstandardized Coefficients				Standardized Coefficients		t		Sig.	
	B		Std. Error		Beta					
DV	ROE	ROA	ROE	ROA	ROE	ROA	ROE	ROA	ROE	ROA
(Constant)	7.154	13.628	4.506	4.459			1.588	3.056	.127	.006
Dividend Payout	-.007	-.030	.036	.035	-.042	-.177	-.203	-.861	.841	.398
Earnings per Share	.274	.238	.249	.246	.230	.199	1.102	.968	.282	.344

a. Dependent Variable: ROE, ROA

The results of the regression analysis in table 05 show that the coefficient for all two variables such as earnings per share and dividend payout is not significant. Further t values for all two variables of dividend policy are insignificant event at 5% level. It means that these variables are not contributing to the firm performanceof return on equity and return on assets.

XII. Conclusion and Recommendation

The research aims to explore the relationship between dividend policy and firm performance of manufacturing companies listed on Colombo Stock Exchange. Out of 37 Manufacturing companies 25 companies were used for the period 2008-2012. The statistical tests were used includes: descriptive statistics, correlation and regression analyses.

To conclude, listed companies under the Colombo stock exchange (CSE) are practicing dividend policy system. The results of the study provide evidence that the dividend policy measures are not significantly correlated with earnings per share and dividend payout as dividend policy, return on equity and return on assets as firm performancemeasures. So that hypotheses are rejected. R2 Value of liquidity and corporate governance 0.057, and 0.079 which are in the models denote that

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5.7% and 7.9% of the observed variability in liquidity can be explained by the differences in both the independent variables namely earnings per share and dividend payout. Further dividend policy did not contribute tofirm performanceof earnings per share and dividend payout.

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Job Satisfaction of District Officers: A Global Perspective

By Abdul Sattar

Background- Unprecedented changes are occurring around the globe, which forces the public management to revise their theory and practice of managing human performance in the public setup. The attention given to the new public service and new governance, demands fundamental transformations in those factors, which are influencing human performance. These changes are so broad that it is impossible to summarize all of them, but several needs merit attention (Gliem & Gliem, 2001; Linz, 2003; Perry et al., 2006; Moynihan & Pandey, 2007). However, the practice of public management is characterized by its formal constraints as well as informal opportunities. Managers have limited tools to motivate and retain their employees, because civil service rules limit the ability to recognize and reward individuals through pay, promotion, or bonuses.

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Job Satisfaction of District Officers: A Global Perspective

Abdul Sattar

Job satisfaction is a global issue and therefore continuously explored in both the developed and developing countries. The researchers are using similar as well as different research tools and techniques depending on the nature of organization and the demographics of location. There are several common as well as different issues of job satisfaction in advanced and developing states. This chapter gives a description of job satisfaction in developed states, developing countries and finally in Pakistan. The chapter ends with a discussion of the similarity and differences between the research issues of rich and poor states.

I. Background

Unprecedented changes are occurring around the globe, which forces the public management to revise their theory and practice of managing human performance in the public setup. The attention given to the new public service and new governance, demands fundamental transformations in those factors, which are influencing human performance. These changes are so broad that it is impossible to summarize all of them, but several needs merit attention (Gliem & Gliem, 2001; Linz, 2003; Perry et al., 2006; Moynihan & Pandey, 2007). However, the practice of public management is characterized by its formal constraints as well as informal opportunities. Managers have limited tools to motivate and retain their employees, because civil service rules limit the ability to recognize and reward individuals through pay, promotion, or bonuses. To the extent that individual attributes affect work motivation, organizations can mould these qualities most effectively through recruiting, hiring, and promoting the required people (Moynihan & Pandey, 2007). Culture is widely accepted as a critical factor affecting organizational involvement, turnover, job satisfaction and commitment. A huge body of research has been conducted and other volumes of research are under process in both public and business organizations (Wai, 2006). It is commonly known that job satisfaction is researched everywhere because it is different from not only one country to another but also from one organization to another due to the cultural variations in every setting (Moynihan & Pandey, 2007; Asadi et al., 2008). However, there is a renewed interest in individual level research given the recognition that work as an institution and working as process are, individually and socially constructed. Individuals should be viewed as actively involved in crafting their jobs; that is: individuals engage in modifying, emphasizing, or reducing attention and effort to specific features and aspects of their jobs. Individuals' values, norms, and expectations shape how work is performed (Kuchinke et al., 2009). Thus, context and individual attributes are the critical points of research to diagnose job satisfaction. This is evident from the forthcoming analysis.

II. Job Satisfaction in the Developed World

An array of research projects has been conducted as well as underway to explore and understand the job satisfaction problems in the developed world. For example, Ellickson & Logsdon, (2001) have explored the determinants of job satisfaction among the municipal government employees in USA. Rocca & Kostanski (2001) studied the relationship between burnout and job satisfaction while Nelson et al., (2006) studied the links between psychological contract and job satisfaction in Australia.

Furthermore, Clark-Rayner & Harcourt (2000) studied the determinants of turnover among the workers in New Zealand. Furnham et al., (2002) have explored the personal characteristics of workers in UK on their organizational attitudes. Grebner et al., (2003) collected data on the working conditions and attitudes of the workforce in Switzerland. In Japan, Hiroyuki et al., (2007) have worked on the interrelationships between the morale and work satisfaction among the Japanese workers.

a) *Introduction*

There are many variables, which affect job satisfaction of employees, some are discussed here. Some see the job satisfaction of employees from one angle and some from others, for example, organizational involvement and commitment, locus of control and personality types, stress management as well as from the demographic points of view based on employees age, race, nationality, gender and education (Weidmer, 1998). Dissatisfied workers show an increased propensity for counter productive behaviors, including withdrawal, burnout and workplace aggression (Ellickson & Logsdon, 2001; Eliason, 2006; Moynihan & Pandey, 2007).

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Job satisfaction is defined and measured with various factors of the job. As the extent to which employees like their work. An attitude based on employee perceptions (negative or positive) of their job or work environment (Weidmer, 1998). Job satisfaction has been dominated by the person environment. Regardless of the theoretical approach used to study job satisfaction, most studies have identified at least two general categories of antecedent variables. Environmental factors – personal characteristics both focuses on job satisfaction and individual attributes and characteristics (Ellickson & Logsdon, 2001; Rocca, & Kostanski, 2001). The Public sector relies on the expertise of such professional; they effectively implement government policies effectively. Research reports that pay issues, formalism and rigidity, and limited promotion opportunities are the leading characteristics of the public sector organizations, which keep the highly qualified and professional workforce away from serving in the public institutions (Barrows & Wesson, 2001; Linz, 2003). The job satisfaction is an employee's reaction (affective) based on the comparison of expected and real outcomes while working on a job. Similarly, the attitude of job satisfaction also includes the thinking and feeling of worker about the intrinsic and extrinsic features or the job. Although different approaches are used to measure job satisfaction in different organizations however, all of these strategies explicitly or implicitly use two categories of variables as the criterion or determinant factors of job satisfaction including employees' personal attributes and the environmental characteristics or the organization (Moynihan & Pandey, 2007; Kuchinke et al., 2009). Similarly, there are differences between different developed countries as well (Rocca, & Kostanski, 2001; Eliason, 2006). For example, in a comparative study of the professionals in Russia, Germany, and Poland revealed that employees differed in work centrality, preferred or desired work outcomes, work role identification and levels of job and career satisfaction. Respondents from the three countryes differed on all relevant demographic characteristics, including age, gender, education level, industry representation and job classification. In general, the sample was in their midcareer stage, predominantly male, had professional education and training and worked as managers and technical professionals in manufacturing and service industries (Kuchinke et al., 2009).

The research reveals that personality type is more related with the stress management of males than females. Furthermore, female workers are less satisfied with their work their male counterparts as well as core lower on the questions about physical and mental health of the employees (Weidmer, 1998). Organizational factors—that is, having adequate work equipment, resources, and training opportunities and an equitable workload distribution—also significantly and positively affect employee job satisfaction (Rocca, & Kostanski, 2001). Organizational variables relating to the facilities for work, required resources, well-distributed workload, proper training opportunities etc, determine the organizational attitudes of job satisfaction the findings of a study show that the job satisfaction of public sector employees (like municipal employees) is found more dependent on the environmental factors and not on their personal characteristics. So the most powerful and decisive factor in the job satisfaction of civil servants is the creation of best employee-environment fit (Ellickson & Logsdon, 2001). However, other researchers suggest that demographic factors, in particular age, gender, and education should be investigated further (Kuchinke et al., 2009).

The job satisfaction topic has studied by different researchers in different environment. In this study the author claims that work related factors, demographics have significant effect on the satisfaction level of the employees (Weidmer, 1998; DeVaney & Chen, 2003; Linz, 2003). Another finding that cuts across all three countries was low importance of company/organization where respondents work. This finding could be suggesting the presence in these three European countries of decreased number of years of tenure with the same employer, the disillusionment with prospects of staying with the same employer for long time, and predominant orientation towards one's career and life interests as opposed to company/organization orientation. In Germany, this phenomenon is often labeled as "American conditions", meaning a loosening of protective as well as restrictive labor laws, higher incidences of industry-wide job shifts and displacements, lessening of life-time employment arrangements, higher levels of flexible work arrangements, decrease in the role of labor unions, and, in general, a weakening of the psychological contract that once clarified and codified mutual obligations and rights between employees and employers (Kuchinke et al., 2009).

It is reported somewhere that fulfilling the expectations, relations with fellow workers, pay and gender differences are the top predictors of job satisfaction. Furthermore, security of the job, promotion opportunities and age also influence the employees satisfaction in an organization (DeVaney & Chen, 2003).

b) Leading Issues

However, determining job satisfaction requires fairness in work, procedural justice, organizational procedures, and policies used to make important work decision. If decision makers are courteous, give feedback and opportunities for self-expression, and discuss decision-making procedures with subordinates. The dissatisfaction results in the form of exhausting exchanges, and emotional exhaustion are a primary indicator of burnout (Weidmer, 1998). There are very limited studies about the job satisfaction of employees in different public sector organizations in both the

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developed and developing states. Most of the research is about the private sector employees however, now the scenario is changing and governments and academicians are turning to the role of public sector in development therefore public servants' job satisfaction is becoming a top line issue for researchers (Ellickson & Logsdon, 2001; Rocca, & Kostanski, 2001). The results of studies on public sector organizations in USA indicate several problems of job satisfaction. For example, a study of municipal public servants suggests that governments have to restructure and reengineer the procedures for performance evaluation in the public sector organizations. There is need to so design the work environment that it generates trust among the workers with each other and with the organization. There is acute requirement of empowering the employees by delegating powers to make them feel the owners of their job and organization (Ellickson and Logsdon, 2001). Thus, although several independent studies conducted among US workers over the past thirty years, generally indicate that workers are satisfied with their jobs (Kim, 2004; Robbins & Coulter, 2005:374) there are multiple issues which need to be addressed by the nations in the advanced world. The literature on human resource management, motivation and commitment of employees and job satisfaction strongly support the hypotheses that personal attributes and context of the work both collectively determine all the organizational attitudes of the workforce (Moynihan & Pandey, 2007). In a study of three European countries (Germany, Poland and Russia) the researchers found many striking results, for example, all the respondents showed low importance of employer-organization. This finding suggests the presence of decreased number of years of tenure with the same employer, and predominant orientation towards one's career and life interests as opposed to company/organization orientation. In Germany, this phenomenon is often labeled as "American conditions", meaning a loosening of protective as well as restrictive labor laws, higher incidences of industry-wide job shifts and displacements, lessening of life-time employment arrangements, higher levels of flexible work arrangements, decrease in the role of labor unions, and, in general, a weakening of the psychological contract that once clarified and codified mutual obligations and rights between employees and employers (Kuchinke et al., 2009).

III. Job Satisfaction in the Developing Countries

Like developed countries, the developing world is also well aware of the importance attached with job satisfaction. Such studies are being managed in every developing state to manage the attitudes of their workforce in public as well as private sector organizations. Most of the studies aim at unearthing the nature, process and consequences of job satisfaction and dissatisfaction. For example, in Nigeria research have been reported on 'burnout, job satisfaction and work situations' (Agunga et al., 1997); person-related variables of job satisfaction in public sector organizations and their impacts on the theory and practice of management in the developing countries (Tella et al., 2007).

Likewise, Mulinge, (2000) explored job satisfaction and organizational commitment in Kenya and Euan, (2007) in Tanzania. Similarly, in Malaysia Saiyadain (1996) have worked on the correlates of job satisfaction in Malaysian managers; Yusof & Shamsuri (2006) have documented their findings on organizational justice as the determinant of job satisfaction and organizational commitment; Wai, (2006) performed a quantitative analysis of the link between organizational culture and job satisfaction in Malaysian health care; while Rahman et al., (2006) have recorded their results about the relationship between Islamic work ethics and organizational commitment. Other research findings are available about Singapore (Koh & Ten, 1998; Tan et al., 2007); Taiwan (Lee & Lin, 1999; Jiunn & Wu, 2005); as well as India (Bhatt, 1997; Lacity & Iyer, 2007). For research on job satisfaction in Pakistan see Section 4.4.

The researchers in the developing countries are exploring different aspects of job satisfaction in both public and private sector employees. For example, in Nigeria, Agunga et al., (1997) explored burnout, job satisfaction and work situations as perceived by District Extension Officers while, Sokoya, (2000) unearthed personal predictors of job satisfaction for the public sector managers and their implications for management practice and development in a developing economy. In Kenya, Mulinge, (2000) worked on the 'Explanation of Cross-Sector Differences in Job satisfaction and Organizational Attachment among Agricultural Technicians.' Similarly, Tirmizi, et al., (2008) measured the job satisfaction of white collar employees.

a) *Introduction*

Due to the increasing role of public sector in the development of a developing country, efforts are underway to explore new models of professionalism by focusing on human resource development (Sokoya, 2000). However, public sector workers are usually shown to be lower in job satisfaction and organizational commitment relative to their counterparts in the private sector. Virtually all cross-sector comparative studies, however, have focused on work settings in relatively industrialized nations such as the United States and the developing nations remain understudied (Mulinge, 2000). For example, although Iranian government has made efforts to support formers and Agricultural Extension Officer, the evidence shows that they have not been enough. There is reporting of frustration, delays,

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lack of funding and differences of administrative and philosophical values (Asadi et al., 2008).

Research shows that public sector managers had a lower level of job satisfaction with those of private sector employees (Sokoya, 2000). Based on the findings of a study, private sector employees are higher in mean job satisfaction, organizational commitment, and intention to stay relative to their counterparts in public sector. This finding supports the study's first hypothesis that agricultural technicians working in the public and semi-public sectors are low in job satisfaction and organizational attachment relative to their counterparts in the private sector. Generally speaking, it is also consistent with the existing literature (Mulinge, 2000).

There is growing evidence to suggest that employees are working harder, their workmanship has improved and that they take much pride in their work. Yet they seem to be less enthusiastic and less motivated. This study is an attempt to sensitize organizations to the factors that influence job satisfaction and help them to weave these factors into the blueprints prepared to enhance job satisfaction (Saiyadain, 1996). Due to global pressures, the public sector in developing countries is focusing on the investigation to strengthen the relationships between productivity and job satisfaction because success of any organization has been found dependent on the powerful linkages between productivity and job satisfaction of the workforce (Sokoya, 2000). The research tells that contextual factors and permanent/regular nature of the job are very significant determinants of job satisfaction and can produce higher levels of satisfaction among the human resource. Likewise, age of the employee and relations with supervisors and fellow workers also appear as the major catalysts in changing the satisfaction behavior of the employees (Koh & Ten, 1998).

People who are more internally oriented see themselves as being responsible for events that occur. Those who are more externally oriented attribute the cause of events to luck, chance, fate, or powerful others. In other words, people with an internal locus of control generally think that things happen because of their own choices and actions. Externals, on the other hand, generally perceive that factors outside of themselves are the reason that events happen in their lives. Internals are more likely to be more satisfied than externals for four reasons. First, internals are more likely to leave a dissatisfying job to seek positions that they find satisfying. Second, internals perform better and are therefore more likely to receive more satisfying outcomes. Third, internals are likely to be promoted and receive raises more quickly, again leading to the likelihood that they will receive more satisfying outcomes. Finally, internals are likely to stay in positions and organizations that gives them control which, in turn, allows them to experience a satisfaction of cognitive consistency between their psychological preferences and job experiences (Daniel et al., 1997).

As far as the impacts of demographics on job satisfaction, is concerned, the researchers have come up with differing results. Like the dispositional variables, these control variables were not supported as independently causing the observed differences in satisfaction and attachment among agricultural technicians working in the public and private sectors. When these were analyzed alone, the private sector technicians still emerged to be higher in satisfaction, commitment, and intention to stay than their counterparts in both the public sector (Mulinge, 2000). While a research from Iran reports that low pay and unfair promotion policy are the major negative contributors to job satisfaction. The researchers did not find any relationship between job satisfaction and age and experience. Besides this, personal features (or demographics) of employees partially explains the variation in job satisfaction, meaning that rest of the change is due to other factors (Asadi et al., 2008).

Researchers tell that commonly female are more satisfied than their male counterparts however, some studies also report otherwise. Few studies found a positive relationship between age and job satisfaction .An increase in education has generally been found to be inversely related to job satisfaction. Few studies were conducted to see the relationship between experiences of the employees, somewhere there is linear relationship was found (Saiyadain, 1996 & Asadi et al., 2008).

b) Leading Concerns

In the developing states the public sector plays a forefront role in economic development; the employment rate has been growing ghastly as compare to developed countries. It is the result of the strategic importance to the public sector in the economic development of many countries, there is a concerted effort to make public sector management respond to the changing needs of developing nations (Sokoya, 2000).

The concepts of job satisfaction and organizational attachment are some of the most studied in industrial and organizational psychology and in the sociology of work and occupations (Mulinge, 2000). Current focus in public sector organizations of developing countries is on the relationship between the personal and job characteristics, and contextual factors of the workplace (Sokoya, 2000).

Although the job satisfaction is a universal problem and both developed and developing countries are struggling to understand the issue and devise most effective measures to handles different issues of their employees' involvement, commitment, absenteeism, and turnover through creating and maintaining job satisfaction. However, due to environmental differences developing countries are having different concerns than the advanced world. Following are the leading issues of

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developing states with reference to job satisfaction of their employees:

1. *Shortage of Economic Resources*: As the title shows that developing countries are not yet developed. So they have shortage of economic resources to meet their requirements. For example, their salary systems and structures are neither according to international standards nor based on the principles of equality. The employees work in the bad working environments with very poor facilities even to perform their jobs. The salaries are very low, work conditions are poor, merits are not observed in appointments and promotions and people are mentally disturbed due to multiple problems.

2. *Corruption*: Developing countries have higher levels of public corruption. For example, there have been recent surveys by 'Transparency International' (Transparency International, 2010) about the levels and degrees of corruption in Pakistan. The government of Khyber Pakhtunkhawa (KPK) has been found the most corrupt government among all provinces of the country. This corruption has become the main source of job dissatisfaction particularly among the public servants of the province. Corruption happens in different styles, for example, at the time of appointment bribes are given to get 'highly paid' jobs. These highly paid jobs are actually the factories of corruption. So one who is appointed with corruption will definitely do corruption as a ritual.

3. *Political Interference and Instability*: Another feature of the developing countries is the political interference in public administration and political instability resulting into the frequent change of governments from democratic to dictatorial and then otherwise. Under democratic governments, public servants are treated as the servants of politicians while dictators use them as their spearheads to rule the country. In Pakistan, for example, under democracy political appointments, transfers and promotions become commonplace. When there is martial law then all bureaucracy becomes servant of a single person.

4. *Dysfunctions of Bureaucracy*: Most of the developing countries have remained the colonies of previous western powers (for example, British in Asia and France in Africa). Most of them still using the colonial models of bureaucracy with very nominal changes. Obviously, those bureaucratic models best suited the objectives of foreign powers but they can never be helpful to the local governors unless they think themselves as 'Desi-Goras'. This perception has created a so called 'Bureaucratic-Elites' who perceive themselves in the shows of their colonial lords. In Pakistan, for example, the so called elites try their level best to recruit (or promote or transfer) their own kids, relatives, friends and supporters on the important posts in any department or on any post with the chances of benefits other than legal ones.

IV. Job Satisfaction in Pakistan

In Pakistan, a diversity of research projects has been conducted and the same continues to measure and analyze the job satisfaction of employees in both public and private sectors of Pakistan. Most of them used survey methods (with questionnaire and interview as data collection tools) to record the attitudes of job satisfaction and organizational commitment (Bodla & Naeem, 2004); levels of job satisfaction (Shah & Jalees, 2004); demographic impacts on organizational support and motivation (Qammar et al., 2006); organizational commitment (Chughtai & Zafar, 2006); the relationship of performance appraisal with productivity and job satisfaction (Khan, 2006); determinants of organizational commitment among IT-Professionals (Bashir & Ramay, 2008); and impacts of age, tenure on the job satisfaction of white collar employees in Pakistan (Tirmizi et al., 2008).

a) Introduction

Thousands of the published research articles and dissertations report that job satisfaction is related to performance, productivity, organizational commitment, retention and turnover of the employees (Bodla & Naeem, 2004). Job satisfaction has been the focus of many researchers measuring employee commitment level, organizational turnover and absenteeism.

Organizations want their employees to be satisfied to become more productive and efficient (Shah & Jalees, 2004). Tirmizi et al., (2008) tried to find out the relationship between the criteria of job satisfaction and age and tenure of white collar employees working in organizations operating in the area of Rawalpindi and Islamabad. It was found there exits a negative relationship between age, tenure and job satisfaction of white collar workers.

Bashir & Ramay (2008) explored the factors of organizational commitment among IT-Professionals in Pakistan. research revealed that procedural justice, information sharing and work policies are the critical to lower turnover rates of the professionals. They prefer challenging work, advancement in their career. While, Bodla & Naeem (2004) explored the 'Motivator and Hygiene Factors Explaining Overall Job Satisfaction among Pharmaceutical Sales Representatives' and found female sales representatives are somewhat more satisfied with overall job than male counterparts. Master degree holders are more satisfied with job than graduate degree holders. Married individuals are somewhat more satisfied with job than unmarried individuals. Those employees with more than five years are more satisfied with job than those with less than five years experience. Older sales representatives are more satisfied with job than younger counterparts. Junior

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employees are more satisfied with job than senior counterparts.

Chughtai & Zafar (2006) conducted a study for determining whether personal attributes of the employee, factors of job satisfaction and organizational justice determine the change in the teachers' commitment working in Islamabad, Rawalpindi, Peshawar and Lahore. They found that the demographic attributes like education, age, marital status, tenure and belief in organization are criterion variables to define job satisfaction and commitment.

b) Major Problems of Job Satisfaction in the Country

Job satisfaction is a measure of the balance between expectations and outcomes because organization is a social system where every participant benefits including employees and customers (Khan, 2006). Job satisfaction represents attitude rather than a behavior. Job satisfaction is taken as dependent variable because of two reasons. First, is its demonstrated relationship to performance factors and, second is the value preferences held by organizational behavior researchers (Tirmizi et al., 2008). Researchers have confirmed the relationship between job satisfaction and personal characteristics of the employees like university teachers (Chughtai & Zafar, 2009). The empirical data about the human resources in Pakistan gives the impression that as more resources are becoming available, the income is climbing up, the country is passing through a second phase of demographic change (Economic Survey, 2006-07). This evidence shows that the overall economy of Pakistan is on the rise which will certainly create more jobs in the country. This will invite more researchers to evaluate and analyze the phenomenon of job satisfaction in the country (Tirmizi et al., 2008). There are reports that the number of female workers is increasing in Pakistani organizations in both public and private sector however, it is still a bare fact that males are obviously larger in number therefore they dominate (Bashir & Ramay, 2008).

c) The Problems of Job Satisfaction in Local Government

1. *Political Disturbance in the Country:* Pakistan has been passing through different types of political systems of dictatorship (Martial law) and Democracy. Most of the period characterized by dictatorial rules. Even the democracies have been nominal in the sense that democratic rulers wanted to stay in power for the prescribed period without giving any performance and services to their voters. Most of the democratic governments were dismissed by dictators on the charges of 'Corruption' and 'Maladministration.' These crises have seriously affected the public servants including those working at the local government levels.
2. *Frequent Changes in the Local Government Systems* Another problem is special to the District Officers in Pakistan are the continuous changes in the local government structures and operations over history of the country. Three local government systems have been introduced in the country during her lifetime of over sixty years. Unfortunately, all of these systems were introduced by dictators or Martial law administrators therefore none of the political parties like them however, this is not the reason for the failure of any systems. There are several other problems which are making local government systems a constant failure in the country, for example:
   a. The political heads of the local government system are considered as a threat to the provincial political powers because distribution of powers between provincial and districts governments are not clear in the legislation of the system.
   b. There is a struggle for power between local bureaucrats and the political executives of the district. There are reports that political and bureaucratic disputes are rampant in all the district governments of not Khyber Pakhtunkhawa rather whole country.
   c. The political heads of the district are not clear about their duties and functions. This makes the situation very disturbing for the government officers like District officers (DO's) and other provincial bureaucracy. Corrupt officers 'fish in the troubled water' and use things in their own favor but good officers become confused and don't understand whether to listen to their organizational heads or political governors.
3. *Lack of Coordination between Political and Government Officers:* Linked with the preceding point, there is no coordination system to bring the political and government workforces together into a single structure of local government for the area. This situation has created misunderstanding and confusions between district government and the bureaucrats. These disputes mostly convert into conflicts between different authorities which ultimately distort the work environment of local officers from both political and government domains.
4. *Problems of General Public:* If the political and bureaucratic officers are confused about the system then what can be expected from the general public. Every local government system in the country has tried to bring citizens involved in the affairs of local government so that they could be made accountable. The systems suggested several structures (like citizen community boards - CCBs) wherein citizens are supposed to become member and thereby practically perform functions of local government. There is very little trend to participate in these

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committees or boards. Even those who register, they don't understand what to do and face multiple issues in playing their roles. District executive officers have to work in such environments, which is obviously very challenging.

5. *Terrorism:* For the last more than two decades (since the beginning of Afghan war), the whole region is in the fire of terrorism. People are using religion, language, culture, ethnicity and many other social attributes as the basis of achieving their ulterior objectives. Pakistan is playing a frontline role in the so called 'war against terror' but this is appearing very expensive particularly for the common people. Today insecurity has gone to the peaks. Every citizen is vulnerable to the terrorist attacks anywhere including roads, streets, markets, parks and even 'mosques.' Terrorism is damaging every citizen, private and public employees and even the rulers of the country.

V. Discussion on Global Job Satisfaction

Job satisfaction can be defined as the degree of feeling about the job and a kind of affective/emotional reaction to the working conditions/context of the job. Individuals at their early stages of employment usually experience low job satisfaction due to unfulfilled expectations. The employees when advanced in their careers gain maturity and work experience, which lead them to a more realistic level of expectations from their job (Tirmizi et al., 2008).

a) Common Issues

The concept of globalization in itself hints about the existence of common issues of the world states. The world community is increasingly becoming a global village with common interests, objectives, resources and thus common issues and problems. The citizens of a country are also the world-citizens as a member of world community. Thus, both the developed and developing countries have common problems as well as unique issues to handle. Similarly, job satisfaction of the workforce is a universal issue which is affected by both the national/local and international factors (Perry et al., 2006).

There are common as well as unique factors of job satisfaction. Work, pay, supervision, promotion, environment and co-workers are the universally tested variables as the determinants of job satisfaction of any type of employees in any organization working anywhere in the world. There are differences about the number of these factors of job satisfaction (DeVaney & Chen, 2003). In the developed world several other factors are also included in the questionnaires about the job satisfaction while in the developing states six basic factors are mostly used to measure the attitude. Following are the leading common issues for the developed and developing states with regard to the job satisfaction of their workforce:

1. Job satisfaction is a globally common issue therefore all the countries have to give equal attention to the problem. Every organization working in any country has to constantly measure the levels of job satisfaction in their workforce because research have confirmed that high performance, productivity, involvement and commitment all depends on the degree of job satisfaction.
2. All the basic factors of job satisfaction (work, pay, supervision, promotion, environment and co-workers) are commonly used as the primary measures of job satisfaction throughout the world (Ellickson & Logsdon, 2001).
3. All the theories of motivation and job satisfaction are common to all the organizations in understanding, measuring and analyzing the degree and levels of job satisfaction among their employees. Content theories are used to understand and control the job satisfaction problems of physical workers while to manage job satisfaction of officers and knowledge workers, process models are most popularly applied in both advanced and developing countries.
4. Personality characteristics are constantly reported as the dominant factor in determining the job satisfaction of employees. Thus, the role of personality dimensions is common in all studies conducted either in developed or developing world (Sokoya, 2000).
5. It is also common to both the advanced and developing states that physical and knowledge workers have different trends of job satisfaction. The job satisfaction of physical workers (or blue collar employees) is mostly concerned with visible factors while knowledge workers (or white collar employees) are found insisting for recognition, self empowerment and career development.
6. There are demographic impacts on all the organizational attitudes of employees including the job satisfaction. A huge body of research around the world repeatedly reports that the demographic diversities based on age, experience, gender, education, race etc play dominant role in determining the organizational attitudes of any type of employees.
7. The factors of job satisfaction and demographic attributes of the employees are used as the predictors of the employees' attitudes towards the organization. This practice is very common to all the organizations around the world (William & Sandler, 1995; Saiyadain, 1996; Sokoya, 2000; Ellickson & Logsdon, 2001; Shah & Jaleese, 2004; Jiunn & Wu, 2005; Beyth-Marom et al., 2006; Hiroyuki et al, 2007). Researchers have used personal attributes of the employees, their demographic diversities as well

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as the factors of job satisfaction as independents to predict positive (involvement and commitment) and negative (absenteeism and turnover) consequences of job satisfaction and dissatisfaction.

b) Unique Concerns of the Developing Countries

Besides the common concerns of job satisfaction, the developing states have to handle multiple issues which are unique to their own environment. For example, there is big gap of resources between the poor and advanced countries so it is not possible for the developing countries to provide same type of facilities to their employees as they get in the rich world. Developing states exist on the other side of 'Divide'. Whether it is 'economic-divide', political-isolation or digital-divide - the developing states are struggling to abridge this distance within their limited resources. Following is a list of the unique problems faced by the developing states in handling the job satisfaction of their employees:

1. There is lack of economic resources in the developing world. They are not free in providing sufficient resources to even simply manage their organizations at the basic level of operations. They give limited pay, below standard work facilities and environment and employees are constantly in a diversity of problems with reference to their job, pay, supervision, promotion, environment and co-workers. Thus, lack of resources is a big issue for the developing states which hinders in human resource management and development.
2. The problems of over population, low levels of literacy, political instability, and no or very slow growth rates are the unique problems for the developing nations which further aggravate the problems of job satisfaction in both the private and public sector organizations.
3. Western countries characterize individualism and autonomy while in the Asian context; collectivism and harmony are more prevalent (Williams & Sandler, 1995). Every employee is not supposed to take care of himself rather a big family of dependents, which definitely changes the satisfaction levels and degrees of every employee working either in public or private sector. For example, Chughtai (2008) notes that Pakistan can be considered as similar to China in terms their score on collectivism as well as power distance.
4. Qualification or education of employees plays dominant role in the developing world. People with higher education and particularly those with foreign qualification have differences with their counterparts. For example, foreign-returns and highly qualified workers are less satisfied than the others (Sokoya, 2000). The problem is that these 'foreign-returns' start expecting the behavior of advanced countries in their own state forgetting that developing countries have their own resources and systems therefore have unique problems. The job satisfaction in the developing country must be analyzed in the perspective of native threats and opportunities.
5. Though demographic impacts are common to all countries however, the degree and intensity of their impact varies from advanced to less advanced states. In the developing nations, illiteracy changes the whole demographics of the communities. Thus, the advanced countries have less demographic differences than the poor world (Moynihan & Pandey, 2007). Due to lack of education, people are classified according to more demographic attributes than in the educated societies. In the developing countries, societies are strictly divided into groups based on language, color, race, economic status, religious sects and many other criteria.
6. Although six basic factors of satisfaction are similar to all the organizations and countries however, advanced states have moved up in the hierarchy of needs while poor nations are still struggling to handle traditional factors of job satisfaction. For example, pay is still a big issue in the developing world while rich states are working beyond pay at the social and psychological requirements of their employees (Crossman & Abou-Zaki, 2003). Since developing states are economically weak therefore they cannot raise their pay levels at par with the advanced countries. Every year government declares an increase in pay which is always less than the price index therefore the impacts are either nominal or marginalized by the increasing prices in comparison to additions in pay.
7. In the countries like Pakistan, the organizational rules and regulations and their implementation is yet not that much mature as it exits in the developed countries. Merit is not so much appreciated therefore promotions are still affected by corruption, nepotism and favoritism. Such practices make the personnel management a unique problem thereby requiring different treatment than the rich countries. The books and news papers have long been discussing bureaucratic problems of red-tapism, formalism, secretive-administration, and politicization of bureaucracy.
8. The reward systems in the developing courtiers are not compatible with the environment. There are several structures for this purpose. Government says something while practically something else happens. For example, recently government has fixed the minimum salary of a laborer equal to six thousand. But this is not being implemented practically by many of the private and public organizations. The private organizations save their expenses while public officers take their share in the pay of laborers.

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"LEADERSHIP" The Magnificent Base of Symbiotic Organizational Enrichment

By Rudrarup Gupta

Abstract- Corporate this very concept has a remarkable wattage in an organization. It is definitely pertinent for a corporation as well, which is always the modified form of an organization. Where that is absolutely legitimate and legalized through their everlasting entity and separated from its owners. That is really conceptualized by the limitation of liability. In other words it is namely incorporation as well, which provides the absolute separate stand at all for the owners. In addition all the legitimate owners do have the intention to enhance the great business matrix through all the best possible resources within a very short while.

Keywords:

- *Business Enhancement*
- *Leader's Magnificence*
- *Organizational Advancement.*

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LEADERSHIPTHEMAGNIFICENTBASEOFSYMBIOTICORGANIZATIONALENRICHMENT

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I. Introduction

Corporate Leadership is the real advanced concept and entity of any broad managerial business initiative. Though it is very challenging but it has a real dynamism to reach the destined organizational goal through its best possible business resources according to the gradual progress of an organization. It denotes the present status of performance and employee equation. Employee framing and new invention challenges are the huge task for all the elegant and competent leaders. Moreover that has to be absolutely satisfied and popularized in a different dimension within a short frame of time. Leaders do lead the entire circumstances through all the requisite followers for a memorable organizational enrichment.

II. Findings

Leaders do extract opportunities, where as Managers avert threats. And any successful organizational progress does depend upon the real innovation, proper team building, detailed co-ordination and swift decisions. The most exquisite quality of a leader is to transform the shape initially of organizational brilliance and some very praiseworthy performance, which is undoubtedly the everlasting inspiration for all the subordinates they who are adopting the real benchmark for entire organizational progress.

III. Corporate Culture

Corporate culture derives the best paradigm of entire corporate unit and which does collect things very minutely from the realm. It always evolves the learning curves to assimilate the common knowledge in deed. This is really the cognitive system to touch our real envisions about the corporate. It is truly said that, it consists all the individuals and their cognitive envisage regarding that organization. Because everything is having a proper direction for huge organizational goals and to modify all the corporate routine activity for utmost culture and the real corporate glee very comprehensively.

Refference: 1 (www.studymode.com)

"An empirical analysis of market and price structure of Maize sector in Kenya". Gilbert Kimutai Arap Bor. Registration Number: D.PHIL/046/07 Moi University. School of Business and Economics. Department of Marketing and Management Science. (January, 2010).

IV. Background

"Maize is the staple food for the majority of Kenyans, as it is too many low income populations across the countries of Eastern & Southern Africa. According to the USAID policy synthesis, it accounts for 50% of the low income household expenditure in Kenya. Angwings Kodhek and Jayne (1997) indicate that, since the full liberalization of the market for Maize in December 1993, average Maize meal prices have declined by 31%, 51% of this decline being attributable to a decline in mining margins and the remaining 49% being due to lower grain prices in 1995 in respect to a favorable harvest.

Over the past two decades Kenya like most other developing countries have implemented the major economic reforms in her staple grain markets. In the mid 1980's the reform of good markets was an important component of the economy-wide structural adjustment programs (SAPs) adopted by developing countries (Minot and Goletto, 2000). The SAPs entitled the privatization and liberalization of staple grain marketing and pricing in over 20 countries in Africa (World Bank, 1994)".

V. Implication of Corporate Leadership

All the corporate leaders do shape the thinking and people do think and response accordingly. It is very true that, Leaders are the real inspiration of the entire community of employees. On the contrary leaders are

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the real role model and the absolute icon at all to motivate the full employee strength. Moreover leaders do maintain their espoused values and philosophy.

Apart from that, Leaders do frame the entire organizational agenda and accordingly they do motivate the great organizational culture in all the regards, where both leaders and managers do strive in deed for the symbiotic organizational goal within a short while.

Leadership presents the destined shape to the real culture of the organization. They are influenced enough to drag the entire corporate status into the histrionic notion of the society and in this regimented Globe.

VI. Leadership Effects

Leadership effects are really very crucial for the organizational eloquence. Moreover all the deployed employees do retrench their self entity through those exquisite effects, which are as follows:

- Comprehensive Style Effects: As a matter of this effect it is easily discriminated the domain between the leaders and the emp
- loyees. Here leaders do rule the entire organization just from their own. They are really elegant to take the firm decision and to drive the organization in style.
- Cognitive Leadership effects: It is the best option for any organization. In this case entire decisions do come from the Management and it is accordingly accepted by the workers.
- Corporate Culture Effects: According to the organizational culture this leadership style does have a solid implication upon the organization. Leaders and the employees are very symbiotic about the performance and great organizational vision.
- Conceptual leadership effects: It this glorious style Leaders do find the best organizational goal just through their prime education to inspire the rest of the employee community to drag the ultimate policy on account of drawing the utmost cameo of success.

Refference: 2 (www.imd.org)

Prof. Dr. Didier Cossin and Dr. Jose Caballero (June, 2013, IMD) Transformational Leadership:

VII. Overview

"Firms must thrive in an environment characterized by uncertainty and unpredictability as a result of consistent, technological, social, political and economic changes. Organizations thus find themselves in dynamic contexts which demand constant adaption. In such environment, firms necessitate an effective leadership to guide them through changes that are likely to become difficult for the organization. Firms must transform their practices in order to sustain their success if not survive they need more than mere incremental modifications to their strategy. Firms need a vital transformation in order to reinvent themselves. In this sense, organization requires revamping their organizational cultures in order to affect the essential changes. Transformational leadership is about renovating an organization. It is about transmuting the firm following a new vision which will lead to the evaluation of the organization's culture.

Transformational leadership offers individualized consideration: Leaders treat employees individually offering them personal attention and whenever essential they provide coaching and advice to those employees".

VIII. Features of Corporate Leadership

Different leadership approaches and styles are really up to the mark for a successful business. So any successful leader should have different features for self sustainability in the organization.

- Enthusiasm: He must have the enthusiastic nature to motivate their subordinates.
- Knowledge: His prior knowledge does help to modify the actual organizational outlook.
- Self Esteem: He should be gaining the best respect of his team.
- Fair Behavior: His morale behavior should be good which is really advantageous for everybody just to be into the successful organizational track.
- Innovation: He should come or he has to think everything in an innovative fashion to be an iconic example.
- Corporate Endurance: He has to devote a lot in case of any emergency or any sudden problem.
- Leaders should be really up to the mark to access their subordinates and to drag the best outcome within a while.

But Leaders should avoid:

- Negligence: He should not be neglecting to his subordinates. So that failure will not come.
- Miss coordination: Wrong coordination should not take place. Otherwise success will be just matter of time.
- Wrong Communication: All the individual leaders have to communicate properly. Otherwise organizational conflict will be taking place.

Refference: 3

Global Talent Management Literature Review (September, 15th, 2012) Ibraiz Tarique: Pace University.

IX. Executive Summary

"One of the most significant developments in people management over the last 15 years has been the

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focus on effectively managing the individuals who are most important to the strategic success of companies both domestic and international. This focus has taken the general levels of "Talent Management" or more popularly "Global Talent Management". This report is about the broader and more encompassing level global talent management, because of its importance, there have been many academic and HR practitioner papers and reports published on Global Talent Management but because of its regency. There are many view points to what it really is. What it covers and what things remain to be explored in the years ahead".

X. Introduction

"In today's context and dynamics Global Multinational Organizations have to merge a global workforce to achieve sustainable goodwill. Managing a global workforce is challenging. It is mobile, diverse and not bound by geographic and cultural boundaries. As a result of these challenges many human resource practitioners and academics are focusing on the important area referred to as "Global Talent Management".

It is a remarkable statement that, "Despite the continuing caution exercised by many companies amid ongoing economic uncertainty, a substantial portion of employers in the U.S. and worldwide identity a lack of available skilled talent as a continuing drag on business performance".

XI. Leadership Prospects

Leaders are those people they who are the seed of execution and bit of exploration through their prime education to find out the best solution.

The basic function of leadership is to motivate the other members. Allocating task and requisite team building to provide a real feedback to the organization. Every worker has to be very trustworthy which is the real key for any leader to win the respect.

Any successful leader has to discover the individual member of a team. They have to be very conscious about their allotted job and responsibility, which might strive the great organizational glamour within a short while.

Any smart leader does combine the skills of being open and repetitive through decisiveness and the potential to tackle the difficult circumstances.

XII. Corporate Social Responsibility

The great business step, while it starts to work which is simply beyond the box in nature. Say for example it offers the change in the industry, but it is to be noticed how all the employees are reacting regarding this, because they are majorly involved in this planets through all the crucial resources and striving the social challenges such as organizational wealth. On the other hand it is again associated with local government, federal government to help the encyclopedic government policy just to bring the natural parity in between organizational environs and supportive social conditions.

Refference: 4 (www. york.ac.uk)

University of York. The York Management School. Working Paper No. 45. ISSN Number: 1743-4041. March-2009."Charismatic Leadership and its emergence under crisis conditions: A case study from the airline industry". Author: Dimitra Kakavogianni.

XIII. Abstract

"Charismatic Leadership is perceived as emerging under conditions of crisis. This study examines to what extent this statement is confirmed in an organizational context. Employing a case study from the airline industry the behavior of leaders and the perception of followers regarding attribution of charisma in a crisis situation are explored. A questionnaire based on the c-k scale is used to access leaders engagement in charismatic behavior from the follower's point of view, where as interviews at senior level management are conducted to verify the leader's re-actions. The findings demonstrate that, crisis is significant but not sufficient factor for the emergence of charismatic leadership in a business context. Differences in business settings, organizational dynamics, and follower are certain features and cultures have a significant role to play as well. The limitations and implications of the study are discussed and recommended for future research which is outlined".

XIV. Conclusion

Leaders are made but not in born. In this broad concept leaders will be sailing all the required creativity where as all the managers shall be purchasing the same. This thoughtful coordination in between Leaders and the Managers will be enhancing the symbiotic organizational progress in a real phenomenal runway.

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2. Prof. Dr. Didier Cossin and Dr. Jose Caballero (June, 2013, IMD). Transformational Leadership:
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5. Structure and Format of Manuscript,

6. After Acceptance.

1. GENERAL

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Complete support for both authors and co-author is provided.

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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.

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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.

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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 × 10-3 m3, or 4 mm somewhat than 4 × 10-3 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.

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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.

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- 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.

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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.

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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.

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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.

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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.

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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.

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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.

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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 though 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.

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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

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- 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

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· 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

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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.

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- 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
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- 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

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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:

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- 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.

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- 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.

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Methods and Procedures	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
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Discussion	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
References	Complete and correct format, well organized	Beside the point, Incomplete	Wrong format and structuring

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