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## OF MANAGEMENT AND BUSINESS RESEARCH: A

# Administration and Management



Knowledge Management Practices

The Impact of Subordinate's Trust

Highlights

Governance and Leadership Roles

Subordinate Psychological Empowerment

**Discovering Thoughts, Inventing Future**

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Administration and Management

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# Global Journal of Management and Business Research: A
## Administration and Management

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# Contents of the Issue


i. Copyright Notice
ii. Editorial Board Members
iii. Chief Author and Dean
iv. Contents of the Issue

1. Bargain and its Impact. *1-2*
2. Governance and Leadership Roles as the Strategies for Effective Higher Education in Nigeria: An Examination. *3-10*
3. Gender in Career Decision Making by Women: An Autoethnographic Account. *11-19*
4. Knowledge Management Practices and Family Business Profitability: Evidence from Lagos State, Nigeria. *21-31*
5. A Road Map: E-Commerce to World Wide Web Growth of Business World. *33-42*
6. Boosting Employee Performance; Effects of Working Environment on Employees Performance: Case of Ethio-Telecom in Ambo Branch. *43-50*
7. Implementation of Risk Management in IOCL Tender Driven Project – A Case Study. *51-56*
8. The Psychological Factors that Founder Need to Build and Develop a Digital Startup. *57-67*
9. The Impact of Subordinate's Trust in Supervisor and Felt Trust on Subordinate Psychological Empowerment. *69-76*

v. Fellows
vi. Auxiliary Memberships
vii. Preferred Author Guidelines
viii. Index

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# Bargain and its Impact

By Snehal Kale

*Abstract-* Bargain/negotiation is something which is commonly used in the corporate world. Bargaining is an indispensable part of hiring process and is generally termed as salary negotiation but ideally negotiations take place for many other factors other than compensation viz: designation, profile, KRA's and so on.

The word Bargain is defined as, 'to boil down to common consensus or to such an output which would be advantageous for both the parties (In this case talent & employer).'

In such a competitive world where the aspirant struggles to find an opportunity, and employers are in dire need of best talent, bargain plays an significant role in hiring process.

*Keywords:* *bargain, ethical, talent, candidate, aspirant, employer.*

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*Keywords: bargain, ethical, talent, candidate, aspirant, employer.*

## I. Introduction

Bargaining is ordinarily used terminology in our day-to-day life. It typically means, getting into an agreement (Verbal/written) which is beneficial for both the parties.

It is ideally defined as, "An agreement between parties settling what each gives or receives in a transaction between them or what course of action or policy each pursues in respect to the other"

In the corporate world bargain & negotiation are used hand-in-hand; and is mostly used during the HR/Salary discussion phase of hiring process. This step is ideally the discussion, where the talent & the employer finalize or get into an agreement which is mutually beneficial fulfilling the search of aspirant & employer of opportunity & talent respectively.

As mentioned in my previous paper "A Study of Talent Engagement" there is need of talented & skilled employees & organizations are keen on retaining the talent or hire them.

During the process of hiring or retention, the applicant tends to misuse or take advantage of the need by putting unrealistic demands to the current employer/new employer. Bargaining- as the definition says that, it is a common consensus which both the parties arise which is equally beneficial for both & purpose of hiring/looking for job is served (in this case its hiring process).

When the consensus is reached the Talent still keeps on fetching for so called 'better opening' and get into what we call it as Unethical Bargain. Here the commitment comes in place. Is it ethical when we have committed to one organization, to bargain with other? When the expectations are met by the organization, who offered.

In today's competitive world, where its' whispered that, it's difficult to fetch a job, at the same time it is equally tedious for the employers to find a 'Best Fit.' And if at all they do with all the time, efforts & money investment; at the end of the notice period, the employer gets to know on the date of joining that the selected applicant is not turning up.

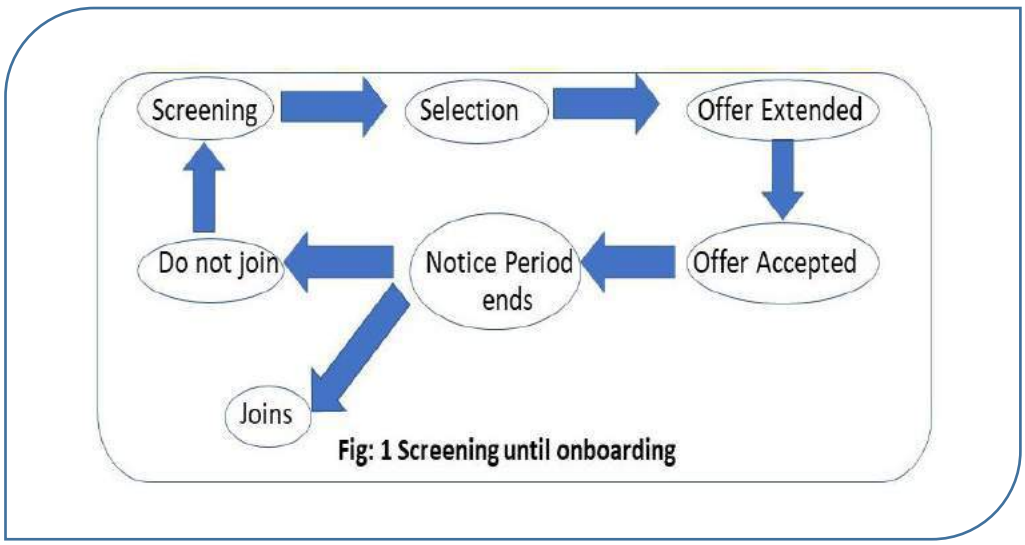



**Fig: 1 Screening until onboarding**

*Figure 1:* Screening until Onboarding

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Concerning to figure 1, it shows that in case the Talent does not join on the decided date of joining then the employer have to undergo the whole hiring process which leads to loss of time, money, efforts & business.

It is imperative that, while the talent was bargaining in the market; don't find it important to inform the employer who has already offered instead of holding back until the date of joining. Negotiating is not wrong but it's about being ethical & professional. The bargains usually lead to loss of all the time & efforts put in by the employer in finding the best fit, ultimately turning out to be a business loss.

The employers have to put in all the efforts right from scratch to find another talent & the cycle goes on.

Instead, if the talents are having clarity on criteria's they would like to have in a new opportunity, it would not lead to the vicious cycle of hiring, investing the resources; cutting down the unethical bargains. Clarity in expectations before the search of opportunity, would also ensure the right skill set being paid appropriately & in maintaining the standards in the industry.

## II. Conclusion

Therefore, unethical bargains lead to losses & to avoid those if the talents are defining the expectations explicitly before starting the search of new opportunity/ new employer. Precision in expectations at the beginning, would lead to a win-win situation for both the parties as the definition of bargain suggests.

This way, both the Aspirant & the Employers would end up with having 'BEST FIT' for each other.

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# Governance and Leadership Roles as the Strategies for Effective Higher Education in Nigeria: An Examination

By Agboola Theophilus Olumuyiwa
*Obafemi Awolowo University*

*Abstract-* The paper set out to examine how Nigerian government initiated higher education policy reforms that intended to bring its university system more in line with international best practice and also to analyse how the reforms promote increased institutional autonomy, greater system differentiation, strengthened governance and mechanisms for quality assurance. The paper adopts an approach that is based on a qualitative analysis of concepts of leadership and higher education. The gap in knowledge is how Nigerian government seeks to create a viable environment with more flexible and responsive system of university teaching, learning and research that will contribute increasingly to national innovation development and economic growth. The finding revealed that the crucial function of higher education in the knowledge economy has been the object of various empirical demonstrations that succeeded in showing a strong correlation between higher education and GDP growth, through human capital development and technology diffusion. Therefore the paper finds out that a large number of factors that can influence and limit the higher education benefits and some important issues need to be addressed. In Nigeria a variety of international donors support higher education, emphasizing or neglecting some aspects depending on their nature, their sensitiveness, their ultimate scope. This paper gives particular attention to issues of governance/ management, Leadership, finance and accountability.

*Keyword:* *governance, leadership, management, accountability, higher education.*

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Agboola Theophilus Olumuyiwa

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*Keywords: governance, leadership, management, accountability, higher education.*

## I. Introduction

Saint, Hartnett & Strassner (2013) observes the higher education from a global perspective, economic and social developments are increasingly driven by the advancement and application of knowledge. Education in general and higher education in particular, are fundamental to the construction of a knowledge economy and society in all nations (World Bank, 1999). Yet the potential of higher education systems in developing countries to fulfill this responsibility is frequently thwarted by long-standing problems of finance, efficiency, equity, quality assurance and governance. Now, these old challenges have been augmented by new challenges linked to the growing role of knowledge in economic development, rapid changes in telecommunications technology, and the globalization of trade and labour market (Salim, 2001).

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The role of higher education as a major driver of economic development is well established, and this role will increase as further changes in technology, globalisation, and demographics impact Nigeria. To remain competitive in light of these changes, Nigeria will need to improve productivity and adopt an innovative spirit. Higher education has the capacity, knowledge and research necessary to help achieve these goals (Sampson, 2004). Since the World Bank sponsored study of Bloom & *et. el,* (2005) "Higher Education and Economic Development in Africa", the crucial function of higher education in the knowledge economy has been the object of various empirical demonstrations that succeeded in showing a strong correlation between higher education and GDP growth through human capital development and technology diffusion. The case of Nigeria, where the extremely low rate of tertiary education enrolment and the critical conditions of university coexist with high growth rates, demonstrate that human development is also a matter of appropriate policies (Montanini, 2013).

Montanini (2013) opines that if there's a common consent on the positive role by tertiary education for socio-economic development, it remains still difficult to determine how educational institutions, governments and private sector stakeholders must act together in order to create a development virtuous circle. A large number of factors can influence and limit the higher education benefits and some important issues need to be addressed. What kind of interaction is adopted between universities, institutions and society as a whole in order to achieve sustainable development? To what extent can academic institutions influence development strategies at the national and international level? What mechanisms can favour youth entrepreneurship and innovation, linking public and private sector? How far must higher education move from massification to excellence without worsening social inequalities?

Following years of questionable higher education policies under military administrations, 21st century witnessed by Nigeria's democratically elected government of Olusegun Obasanjo suggests policy movement in the right dimension. This paper reports on the present condition of higher education in Nigeria and assesses the new policy initiatives against the



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backdrop. In Nigeria, a variety of international donors support higher education emphasizing or neglecting some aspects depending on their nature, their sensitiveness and their ultimate scope. They seek to create a more flexible and responsive system of university teaching and research that, over time, will contribute increasingly to national innovation capacities, productivity gain and economic growth. It concludes with a summary assessment and suggestions the further improve system performance

## II. Conceptualand Literature Review

Kezar and Eckel (2004) agrees that the concept of governance refers to means by which higher educational institutions are formally organised and managed, though often there is a distinction between definitions of management and governance. Simply, university governance is the way in which universities are operated. Governing structures for higher education are highly differentiated throughout the world. Internationally tertiary educations are governed by differentiated structures of management. The concept of governance for university education refers to the internal structure, organisation and management of autonomous institutions. The organisation of internal governance is generally composed of governing board, the university chief executive with a team of administrative chancellors and staff, faculty senate, academic deans, departmental heads and, usually, some form of organisation for student representation.

Edem (2012) opines that governance is a multi-level concept, including several different bodies and processes with different decision-making functions. Generally, institutions are recognised as autonomous actors with varying degrees of interdependence and commitments to the external stakeholders, state and federal government.

Saint *et.al* (2013) stresses further that in Nigeria, capacities for managing the university system and individual institutions have struggled to keep pace with the increasingly large and complex federal university system. Professional management techniques and training generally have not been applied. Management information systems vary widely in their use and their development is limited. Strategic planning is in its infancy. Institutional communications with internal and external audience are weakly developed. Moreover, management innovation does not seem to be a conscious pursuit. They explained further that responsive university systems around the world have been moving towards more business-like forms of management and governance (Clark, 2001). In the process, accountability, quality assurance and performance monitoring have become more important, and management innovation has become a permanent quest.

Sanda (2012) opines that the main aim of the university management is the coordination of the activities of staff and students without interfering with academic decisions. University governance is the management of academics, human (management of men and women) and material resources in the production of persons that are found worthy both in character and learning. She explains further that management of university education can be looked at from two dimensions: the external and the internal dimensions. The external dimension is the control by the federal government through the National University Commission (NUC), a body charged with the coordination of university management of each university. It represented as a simple organogram. The first is the visitor who is usually the President/Head of State that establishes it. He usually comes to grace the convocation ceremonies where he uses the occasion to address the academic communities on matters of the moment.

Berdahl (2010) sees the concept of accountability as government involvement in assessing quality in the Nigerian higher education which is ever increasing. Higher education in Nigeria today receives tremendous government funding from the local, state and federal levels. This has led to an increased pressure on governments to account for how tax payers' money is being spent. The very reasonable public questions are: what are we receiving for our money? Is higher education delivering on its promises? Students learning accountability emanates from the view that public institutions and those working in them should be sensitive to social and community prescriptions.

Ekundayo & Ajayi (2009) refers to accountability as the duty to render account of work performed to a body that has authority to modify the performance by the use of sanction or reward. Accountability means different things to different people and it has been defined in many ways. Government needs access to relevant information on the operation of the education system to determine whether the state is getting good value for its investment. The investment is normally high, the society specifies certain expectation that the educational sub-system will provide to meet certain educational needs of the society.

Sanda (2012) observes that the higher education providers in Nigeria and elsewhere in the world have come under increased scrutiny by various stakeholders, such as government agencies, accrediting agencies, alumni, politicians, general public and the media. In modern global economy, a premium is placed on higher education. A nation is less competitive if its population is not well educated. It means that a nation's higher education system has become an integral element of its larger economic plan and a crucial determinant of future economic growth.



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Therefore, government has responsibility to ensure that the higher education sector is functioning well.

Maja (2010) defines education as a production and reproduction of knowledge of people's way of life that is their culture with the aim of preparing and maintaining the social structure that will be able to guarantee social order and changes in the society. Education is one of the basic means of human and cultural self-realisation as well as a means of realising the productive power of a nation. National Policy on Education (FGN, 2004) defines higher education as the post-secondary section of the national education system, which is given of Universities, Polytechnics and Colleges of Technology including courses as are given by the Colleges of Education, Advanced Teachers Training Colleges, Corresponding Colleges and such institutions as may be allied to them.

Adelani (2013) sees leadership as the ability to influence or mobilise other people in order to attain the goal of the organization. It has to do with coordination of people's efforts in an organization, efficient and effective allocation of the organisational resources in order to achieve the desired goal.

## III. Theoretical Review

In the era of economic crisis, the dominant role of the state in the economy and national development in Nigeria and the world over is seriously being challenged. The state has assumed a preponderant role in the provision of social and welfare amenities to the people. There are many theories that can be used to explain why public and private sectors, groups and individuals should be involved in the provision or in the delivery of public goods in an efficient and effective manner. Among others, are the public choice theory, system theory, psychological and moral development theory.

Adelani (2013: 90) opines that the public choice theory assumes that one way of measuring the success or failure of government in modern societies is to assess how far government goes in developing or failing to develop the conditions for satisfying the basic needs of the people they govern. Such needs include basic socio-economic infrastructure, public services and creation of an orderly and productive way of life. He explains further that the effectiveness of such government is measured by their ability to mobilise or generate adequate resources to meet the needs, as well as to facilitate opportunities on the path of socio-economic development. Furthermore, public choice scholars suggest that effective governance and meaningful socio-economic transformation can best be achieved in human societies through the system of democratic administration as opposed to those of bureaucratic administration (Buchaman, 1988).

Afegbua (2011) agrees that the systems approach is the part of the theory of organisation that aims at addressing the question of "the best way to organise". This relates to the issues of structuring, functioning and the performance of organisations as well as the behaviour of individuals and groups that participate in production. The important features that may define a "system" include interrelatedness or interconnections, interdependence or reciprocity, a network of roles and, interactive relationships. An implication of the above is that the efficiency and effectiveness of a system and the degree of its sustenance as well as its survival depend largely on the level of compatibility of the parts with themselves in their relationship to the whole.

Adelani (2013) sees application of the system theory to higher education as an open system. The university does not operate in isolation. It exists and operates within an environment such as socio-cultural, economy, politics, technology etc. The university as a sub-system of asupral system operates within the national and international environments. It relates with these environments by receiving inputs from those environments and releases outputs into the external environment. The performance and the quality of this university system is a function of the quality input received from the environment, its ability to process or convert those inputs to output (management capacity) and the conduciveness of the environments and the quality of its outcome would be measured by feedback from environment.

Adelani(2013) sees contingency theory as evaluating the performance of any organisation having understood its objectives. The performance of the university is contingent upon the availability of these institutional factors such as clearly expressed objectives, technology, adequate funding, qualifies teachers etc. According to Sanda (2012) most of the problems of Nigerian universities relate to resources such as facility and conducives environment. The approach is anchored on the basis that the environment where the organisation is located is of primary importance. It could be inferred that if the institutional variables needed for the survival of the university are available, the university will perform efficiently and effectively, but if not, it will not perform optimally.

## IV. Research Methods

This paper adopts an approach that is based on a qualitative analysis of the concepts of leadership, accountability, governance, higher education and management in relation to strategies for effective higher institution within the context of governance and leadership roles. The paper also reviewed related literature, including textbooks, academic journals, magazines, newspapers and internet source of data. The paper utilized purposive sampling method, in-depth investigation and face to face interview method with sixty



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respondents which were randomly selected to elicit information about the federal government education reforms policy in three selected universities in Southwestern Nigeria, namely; O.A.U, Ile-Ife in Osun State, LASU, Ojo in Lagos State and FUTA, Akure in Ondo State.

a) *Governance and Management in Nigerian Higher Education*

Ede (2012) opines that a university is established to encourage the advancement of learning and to provide learning instruction and other facilities for the pursuit of learning in all its branches. Universities are governed by differentiated structures of management which is authorised or required by the university Act or statute. A university is an autonomous public institution with general function of providing liberal higher education and encouraging the advancement of learning throughout Nigeria. University governance is the management of men and women with most highly developed and developing minds and intellects.

Ekundayo & Ajayi (2009) agrees that the main aim of the university management is the coordination of the activities of staff and students without interfering with academic decisions. University governance is the management of academics, human (management of men and women) and material resources in the production of persons that are found worthy both in character and learning. They explained further that management of university education can be looked at from two dimensions that is the external and the internal dimensions. The external dimension is the control by the federal government through National University Commission (NUC), a body charged with the coordination of university management in the country. On the other hand, the internal management of each university is represented by a simple organogram.

Saint, Hartnett, & Strassner, (2013) agrees that in Nigeria, capacities for managing the university system and individual institutions have struggled to keep pace with the large and complex federal, state and private university systems. Professional management techniques and training generally have not been applied. Management information systems vary widely in their use and their development is limited. Strategic planning is in its infancy. Institutional communications with internal and external audiences are weakly developed. Moreover, management innovation does not seem to be a conscious pursuit.

They explained further that in recognizing these shortcomings, the National Universities Commission (NUC) took steps in 2001 to promote more professional institutional management by encouraging institutional strategic planning and organizing annual two-weeks training workshops for senior administrators and establishing a uniform accounting code for the university system. As yet, more efficient and responsive management has been slow to materialise. A possible explanation for this lack of progress is suggested by Clark (2001). He argues that an institution's incapacity to respond is the limit on government funding capability combined with rigid internal organizational structures. These conditions seem to prevail in Nigeria. Funding dependence has been demonstrated above and organisational rigidities are also apparent.

Amuda-Kannike (2015) reporting from Uzoka (2007) sees government financial policy on education as being subjected to constant review with the intention of allocating more resources to higher education. Even though there appears to be absolute increase in fund allocated to the education sector over the years, yet there is financial crisis in education. According to Ogbogu (2011), Nigeria as a developing nation is currently witnessing increased enrolment of students in its various higher institutions. The increase in enrolment demands corresponding increase in funding which is not the case with Nigeria. Fund allocation does not increase to meet the demand of funds occasioned by the enrolment increase. She explains further that finance is a major driver in achieving the various policies of higher education as well as in ensuring their smooth administration. In Nigeria the policy document on financing of higher education specifies that since education is expensive social services, it requires adequate financial provision from government for successful implementation of the programmes.

Consequently, Ogbogu (2013) posits that gross under funding undermines the autonomy of the institutions in Nigeria and that financial crisis has also generated an obvious deterioration in quality of education. Okebukola (1998) indicated that because of the cuts in education budget, the quality of education provided is seriously affected by the deterioration and scarcity of facilities and equipment such as laboratories, libraries and general teaching materials. The result, according to Ekundayo (2009), was a summon table pressure on the available resources, thereby resulting in downward pressure on staff salaries together with deteriorating working conditions.

Sanda (2012) opines that the use of committees which were entrenched in the Law/Acts establishing Nigerian universities as indicated in the University of Ibadan Acts of 1962 that: "Anybody or persons established by the Acts shall without prejudice of the generality have power to appoint committees consisting of members of that body and subject to the provisions of sub-section (7) of the section four of this Acts to authorise committee established by it to exercise, on its behalf, such of its function as it may determine".

He explained further that in the management of higher institutions, committees play very important roles in the decision-making process. As a democratic establishment, university decisions on governance must reflect the opinion of a cross section of the staff if such



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decisions are to be accepted. Many institutions in the country established many committees to assist in arriving at useful and meaningful decisions that can facilitate a proper management and growth of the university education. Universities have been described as international committees engaged in the daily business of the search for knowledge and truth. The management of such complex organization requires participation through the committee system because of the bureaucratic, collegial and political models that are applicable in them.

Nwachukwu (2008) describes a committee as a device for achieving coordination of activities and sharing information among various departments and divisions of an organization. He further states that committee decisions help to promote better coordination in an organization. The primary motive of instituting the committee system in institutional governance has grown out of the motive of concern for democratizing decision-making in those institutions and recognition of the need for more broad based decision making as universities become more complex.

Wikipedia, the free encyclopedia (2013) sees governance in higher education as the means by which institutions for higher education (tertiary or post-secondary education) are formally organised (though often there is a distinction between definitions of management and governance). Simply, university governance is the way in which universities are operated. Governing structures for higher education are highly differentiated throughout the world, but the different models nonetheless share a common heritage. Internationally, tertiary education includes private for profit, and public institutions governed by differentiated structures of management.

It explains further that governance and management of post-secondary institutions becomes even diverse with the differences in defining the relationships between higher and tertiary education (university education), post-secondary education, technical and vocational education, and community college models of education. The issues are complicated by current debates over collegial and shared forms of governance contrasted to corporate and business forms of institutional governance.

*b) Accountability and Quality Assurance in Nigerian Higher Education*

Fourie (2004) agrees that accountability refers to the duty to render account of work performed to a body that has authority to modify the performance by the use of sanction or reward. The higher education providers in Nigeria and perhaps elsewhere in the world have come under increased scrutiny by various stakeholders, such as government agencies, accrediting agencies, alumni, politicians, general public and the media. In a modern global economy, a premium is placed on higher education a nation is less competitive if its population is not well educated. It means that a nation's higher education system has become an integral element of its larger economic plan and a crucial determinant of future economic growth, therefore, government has a responsibility to ensure that the higher education sector is functioning well. He explains further that the question of autonomy, freedom and accountability need three areas for consideration, namely; the individual within an institution or organisation; the institution or organization within a system, and the system within the society.

Autonomy and accountability can be balanced to maintain a vibrant intellectual environment through several approaches. An important step to be taken first is building public trust among the key stakeholders; that is, faculty, institutional administration, governing and coordinating boards, elected policy makers, state budget officials, the media, and ultimately the public. This can happen when there is leadership vision and trust among, and between the various important players in the state and its higher education.

Ede (2012) agrees that autonomy and accountability requires understanding, foresight, clarity and communication. It also requires that stakeholders have a clear understanding of the dynamics of the past, develop the skills necessary to successfully navigate through the problems and issues of the present, and acquire a vision and understanding of the future through collaboration, communication and the identification of a common vision.

He explains further that higher education institutions should endevour to operate open governance in order to be accountable. They should be accountable for the following reasons:

- Effective communication to the public concerning the nature of their educational mission.
- Commitment to quality and excellence in their teaching, scholarship and research function, and an obligation to protect and ensure the integrity of their academic mission.
- Effective support of academic freedom and fundamental human right.
- Ensuring that they address themselves to the contemporary problem facing society; to this end, their curricula, as well as their activities, should respond, where appropriate, to the current and future needs of the local community and society at large, and they should play an important role in enhancing the labour market opportunities of their graduates.

Systems of institutional accountability should be based on scientific methodology and be cleared, realistic, cost-effective and simple. In their operation, they should be fair, just and equitable, both the methodology and the results should be open. Higher



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education institutions, individually or collectively, should design and implement appropriate system of accountability, including quality assurance mechanism to achieve the stated goals, without harming institutional autonomy or academic freedom.

Sanda (2012), posits that higher education administrators and governing council members need to promote a "culture of transparency", meaning providing partnership and stakeholders with sufficient information to make decisions. This information includes the source of financial resources and how they are being consumed, student achievement reporting procedures and data sources, and policies that document programme decision. The governing council needs to make decisions and be forthright in sharing the problems and challenges facing higher education. The formation of advisory committees with stakeholders as member will enhance the image of higher education.

Ekundayo & Ajayi (2009) states that the dean and faculty members should celebrate their achievements and report the performance indicators of their academic programmes to the public through local media and their own print material resources. He explained further that deans and faculty members through appropriate organiisations can host state, national or international conferences in partnership with financial sponsors on their campuses since such efforts are an excellent way to advertise and introduce a university campus to conference participants not previously familiar with such campuses.

Akerele (2008) sees quality assurance as meeting or conforming to generally accepted standards as defined by quality assurance bodies or appropriate academic and professional committees. One could name different structures and institutions in the system of education which are supposed to assure quality. Education reforms worldwide are aimed at providing better quality of education, hence the previous structures and institutions are to be recognised in order to achieve this aim in the best possible way.

Adelani (2013) agrees that quality assurance in education has become an all-embracing concept that includes all policies, processes and actions through which the quality of education provided is developed and maintained. Quality assurance refers to the planned and systematic actions (deemed) as necessary to provide adequate confidence that a product or service will satisfy given requirements for quality. For higher education institutions this requires them to demonstrate responsible actions in their professional practices, be accountable for public funds received and demonstrate the results they achieve with the available resources.

Adelani (2013) reporting from Elton (2002) refers to quality assurance as quality 'A3'S: Accountability; Audit; and Assessment and Suggests. These are concerned with the control of quality and the people who control quality, the particular mechanisms for assurance are usually imposed by external bodies such as university management and most commonly include accreditation, external examiners and quality audits. As a control tool or strategy, therefore, the focus is predominantly on the extent to which the procedures and conditions that are perceived to result in appropriate levels of quality are followed within institutions or programmes and are effective in meeting their purpose.

*c) Current Trends in Nigerian Higher Education and their Implications for Performance*

Sanda (2012), posits that the recent findings on the state of higher education in Nigeria as conducted by the World Bank and UNESCO has confirmed the degradation of the Nigerian education system. Nigeria was a country that produced world class higher education graduates that competed with their counterparts around the world and hard work was their watchword. Today, we only produce the worst set of uneducated higher institution graduates that cannot structure a simple sentence. Higher education institutions in Nigeria are confronted with several challenges. The challenges facing Nigerian higher education are complex; it is a combination of dilapidated infrastructure, financial constraints, accessibility and equity, graduate unemployment, and disciplinary problems.

- Deteriorated Infrastructure: It is worrisome to note that higher educational institutions are fast decaying. All the required resources for education production process are in short supply. Insufficient lecture halls, lack of facilities in laboratories, lack of facilities in students' hostels, library space, books and journals, official spaces are all seriously inadequate. The equipment for teaching and learning are either lacking or very inadequate and in bad shape to permit the higher educational systems the freedom to carry-out the basic functions of academics.
- Financial Constraints: If one surveyed most universities in the world, they would point to shortages of funding as their great challenges while higher education expands very quickly, the increase in the government appropriations for higher education could not keep up with the growing costs. This has been considered to be rather grossly inadequate considering the phenomenal increase in student enrolment and increasing cost, which has been aggravated by inflation. The apparent shortage of fund has been responsible for the declining library, laboratory facilities and in higher educational system. This, in no small way, makes the governance of the system a herculean task.
- Access and Equity: The distribution patterns of the limited higher education opportunities can result in



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social equity problems. There is also the problem of regional disparities in Nigeria, for example, in order to solve this problem, students from educational, disadvantaged states have been given favourable conditions for admission to federal universities. The increasing regional disparities in the development of higher institutions have attracted the attention of the federal government such that federal interventions have been made like grants allocated to underdeveloped states in Nigeria.

- Graduate Unemployment: The problem of graduate unemployment is a reality in Nigeria, where graduates have to wait for years to get jobs in the labour market. It is common to be subjected to series of competitive examination for appointments and rigorous interviews.
- Political Interference: The higher education system these days is not totally free from the influence of politics. Government of the day, most especially in the state-owned higher institutions and federal universities interferes a lot in terms of selection and choice of the Vice-chancellor, Deans, Heads of Department, Directors of Programmes, Provosts and by constituting visiting panel at wills, instead of the minimum five years intervals.
- Disciplinary Problems: Disciplinary problems have since the mid-1980's become a common phenomenon of our tertiary institutions. Student's disruption of academic activities, cultism and raping can be traced to other factors such as exposure to foreign culture through the movies. Students no longer wish to accept the curious status of being treated as children in disciplinary and organizational matters and as adults in what they are expected to do.
- Market Forces: Some of the market forces affecting Nigerian universities are Unified Tertiary Matriculation Examination (UTME), matching education to job demands; and infrastructure inadequacies. The Unified Tertiary Matriculation Examination had caused a serious concern for both parents and candidates in Nigeria due to the newly introduced Computer Based Test (CBT) for admitting students to the university. Since it takes candidates a while to gain admission into the Nigerian university, a good number opt for any course; by doing so, a course might not be job matched with the education of the students.

## V. Findings

The major findings revealed that the role of higher education is a major driver of economic development is well established, and this role will increase as further changes in technology, globalisation, and demographics impact Nigeria meanwhile, the finding revealed that the crucial function of higher education in the knowledge economy has been the object of various empirical demonstrations that succeeded in showing a strong correlation between higher education and GDP growth, through human capital development and technology diffusion and the finding also revealed that the present condition of higher education in Nigeria with assessing the new policy initiatives against the backdrop seek to create a more flexible and responsive system of university teaching and research that, over time, will contribute increasingly to national innovation capacities, productivity gain and economic growth. The implication of the findings stated above is that if Nigeria government can implements the educational reforms policy and gives particular attention to issues of governance/management, leadership, finance and accountability the Nigeria higher institutions will still compete with the highest ranking universities in the world.

## VI. Conclusion

Education is the bedrock of all sectors of the human society; that is education is a life-long process that has interpretation in type, purpose and level. An attempt has been made to review the current trends in higher education institutions in Nigeria and the consequences of inadequate funding of higher education sectors are mentioned with possible strategies for improving funding to higher education in Nigeria recommended. Education should be the concern of the government and society. Thus, the government and private individuals should be motivated to support higher education if we shall have the future of our dream.

*Suggested Solutions to the Problems in Nigerian Higher Education*

Udey, Ebuara, Ekpoh & Edet, (2009), state that education embodies the development of desirable habits, skills and attitudes which make an individual resourceful in the society. It enables people to acquire knowledge and skills by decoding the prevailing traits for an effective used. From the sociological perspective, it has become obvious that the grand aims of producing high-level manpower for national development for which the higher education is meant are not being achieved as a result of the multi-faceted problems bedeviling the management of the higher education in Nigeria. It therefore, becomes necessary to suggest ways of making the system more effective and efficient in relation to contemporary Nigerian society.

1. Government should allocate more funds to higher education institutions so that they can be more effective in their day-to-day operations. Funds allocated should be disbursed on time in order to avoid the loss in real value arising from inflation. The higher education institutions should seek alternative



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sources of revenue generation to augment what the government allocates to them. Reliable accounting system should be established in each Nigerian higher education institution to guarantee accountability, honesty, and transparency.

2. Broad and up-to-date researches to generate knowledge should be a fundamental requirement for teaching in higher education.
3. If quality is to be enhanced in our Nigerian universities, the infrastructural base of the system needs to be improved upon. The government should make available enough funds for the maintenance of existing facilities and they should intensify efforts in providing more physical facilities.
4. Personal emolument has to be revisited, if education is well funded; pay packages of academics should be reviewed upward and the conditions of service improved upon so that there would be no brain-drain.
5. Eradicating cultism in higher education is a joint task of all the stakeholders (government, university authorities, religious leaders, students and parents). They should come together and decide on how cases of cultism should be addressed in campuses.
6. New teaching/learning approaches for the development of crucial and creative thinking should be integrated.

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# Gender in Career Decision Making by Women: An Autoethnographic Account

By Himanshi Tiwari

*Abstract-* Career, work, job, vocation etc holds very significant meaning in one's life. The definition given by Cambridge Dictionary says that 'Career' is the *'the progress and actions taken by a person throughout a lifetime, especially those related to that person.'* A career is often composed of *'the jobs held, titles earned and work accomplished over a long period of time, rather than just referring to one position'* (British Online Dictionary 2014). Oxford Dictionary defines 'Career' as *'the job or series of jobs that you do during your working life. So it is an occupation undertaken for a significant period of a person's life and with opportunities for progress.'* Through this paper, it is intended to present a collection of reflective narratives that, taken together, explore the varied dimensions of women, gender and career in the present moment. An effort is made to use autoethnography to help gender studies' researchers, answer questions that cannot be answered by traditional, empirical research methods and to reveal voices that are obscured by aggregations of data. How this is done, however, varies widely-from an autobiographic novel to speculative fiction to rigorous academic analysis.

*Keywords: gender, women career, autoethnography, career decision making.*

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*Abstract-* Career, work, job, vocation etc holds very significant meaning in one's life. The definition given by Cambridge Dictionary says that 'Career' is the *'the progress and actions taken by a person throughout a lifetime, especially those related to that person.'* A career is often composed of *'the jobs held, titles earned and work accomplished over a long period of time, rather than just referring to one position'* (British Online Dictionary 2014). Oxford Dictionary defines 'Career' as *'the job or series of jobs that you do during your working life. So it is an occupation undertaken for a significant period of a person's life and with opportunities for progress.'* Through this paper, it is intended to present a collection of reflective narratives that, taken together, explore the varied dimensions of women, gender and career in the present moment. An effort is made to use autoethnography to help gender studies' researchers, answer questions that cannot be answered by traditional, empirical research methods and to reveal voices that are obscured by aggregations of data. How this is done, however, varies widely- from an autobiographic novel to speculative fiction to rigorous academic analysis.

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## I. Introduction

The rate with which Indian women are disappearing from the workplaces is an area of serious apprehension that requires sustainable and holistic intervention. No country can develop without fullest utilization of human capital. Educated or uneducated women, skilled or unskilled/semi-skilled women and young or experienced women; all have a definite place, relevance and significance in any economy. Literature suggests that work holds same significance for men and women but this might not be true for parenthood, especially in a country like India. According to a recent study conducted on forty seven companies across different sectors in India like FMCG, IT, Manufacturing, ITES, E-Commerce and Financial Services to explore gender diversity plans and policies in Indian companies, there are a good number (up to 91 % ) of new mothers who aspire to come back to work (Gender Balance India Survey 2016)[1]. But out of this, a major chunk, almost 72%, have no intentions to return to their previous workplaces. The most widely quoted reasons for that are bias in expectation and performance, serious dearth of mentoring and psychological support for 'returnees/ comeback mothers'. This apprehension is also authenticated by the fact that only 26% companies have a returnee program to attract women who are on a career break. The recently amended Maternity Benefits Act has missed out the opportunity to introduce paternity leave and possibly a chance to spread the message that the responsibility of running a family should be of both the parents. India needs to think beyond the closed gender role differentiation norms prevailing in the society and take a seemingly audacious step towards Maternity and Paternity Benefits. Countries such as the UK, Singapore and Australia have introduced various categories of leaves relating to child birth, including parental leave (enabling parents to share the parental leave in the manner suitable for them), family leave etc., where both the parents receive the benefit of leaves at the time of child birth. This, to an extent, helps parents to strike a balance between their careers and personal life. Although the steps taken by the government in the recently amended Maternity Benefits Act are commendable, it may well be a case of missed opportunities in catching up with such extended requirements.

Women form an integral part of the Indian workforce be it urban or rural India. As per Census 2001, only 25.63 percent of women are actively engaged in the workforce, out of which 80 percent are involved in menial jobs in unorganised sector. In the rural areas, women are mainly involved as cultivators and agricultural labourers. (Statistics Year Book India 2015).

The current status of women in India requires a multidimensional mediation across all the levels of society, politics and economy. Meta-analyses of available literature highlight similarity among men and women with reference to confidence, risk taking capabilities and negotiation and there are enough scientific claims that support this. Despite this the story that statistics tell about the workforce participation of women. Stereotypical expectations from and by women at the time of choosing career and making career development decisions could be one of the reasons for lesser number of women in some fields or mitigated representation of women at a particular life and (or) career stage. This creates an ominous necessity for constructing plans and building unrestricted resources

[1] https://www.peoplematters.in/article/diversity/is-india-inc-doing-enough-to-move-the-needle-on-gender-diversity-14739, Retrieved on 26/02/2018

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that understand their requirements and multiply their ranges and prospects.

There are many socio-cultural stereotypes prevailing in the country with respect to parenting. Combining it with career makes it even more interesting field to research and conduct an autoethnographic study. Making career choice decisions are one of those important decisions that a person takes in his/her life. Understanding the factors that play critical role in making these decsiosns become more crucial when these are related to a woman and the limited resources available to her. Research and surveys conducted recently have indicated that balancing work and family is on the minds of college-age women long before they are married. The recent study on 3000 working moms reveals lack of childcare facilities and lack of flexibility as the top two reasons for women leaving their well started career.[2] The leaky pipeline is clearly visible at the juncture when parenthood supersedes every other aspiration of women. It could lead to a situation where girls tend to select occupations that do not completely match with her aspirations and talent and most of the time fail to move forward in her most appropriate and desired career intention.

This paper makes an effort to identify how stereotypes and other forces involved in doing gender, affected the formative process of self- concept development, and thereby played a crucial/dominant role of framing career anchors of women. Adopting autoethnographic approach both as the process as well as a product of the investigation is a well thought of decision by the author who herself is a management graduate and is involved in a very women friendly (?) or perceived to be so, profession. Precisely this paper is an autoethnographic revelation of gendered career choice and career development decisions and intends to explore the role of doing gender in career decision making. It will also emphasise upon the areas of gender doing which are still unaddressed or are by default considered to be inclusive. A critical scrutiny to bring forward a comprehensive picture is intended through this work.

## II. The Backdrop

Schein's (1992)[3] 'Career Anchors' are defined as a career related concern or drive that shapes the self-concept and perception of a person and becomes a driving/motivating force that influences him/her while making career decisions. Career has both subjective and objective aspects. The subjective aspect refers to individuals' career satisfaction and job satisfaction, while the objective aspect is linked to promotions, salary and hierarchical position[4]. Prior research suggests that women prefer the subjective aspect of career to objective aspect and tend to set rather low goals in the career context[5] . Further, it has been suggested that to succeed in careers, women should prove their credentials by seeking and having more educational experiences than men[6][7] (Ng et al., 2005; Lämsä and Hiillos 2008).Besides this, at the early career phase, a dynamic process plays significant role in the way through which every individual tries to learn and adjust in the new and demanding organizational role that is aligned with his/her individual role (Chao, G.T 2012).

A well planned and well-designed intervention is quite necessary to help students/ early career people (both men & women) understand their careers effectively and to act as the mentor for other workers also in developing their own career (Canannan, G. A. 2006). The model proposed by Greenhaus et al (2000), keeps individual in the centre of the career decision making process as a driver who has to make career related decisions; and is stimulated by a need to search a career. In this process the individual sets career goals, develops strategies and work upon different schemes to succeed in his/her strategies and progress. The work of Greenhaus and Powell (2012) in the area of career introduces the term "Family-related work decision". This term was used to refer to choices related to vocations which are intensely steered by family reasons, like going for part- time work arrangements for child care or not accepting a raise in work keeping the complications of work life balance in mind (Greenhaus & Powell, 2012). In 2014, Greenhaus and Kossek used a little comprehensive work–home perspective on career. This identifies the interdependencies between individuals' careers and their broader home context. It also included the family as well as the other life roles such as friendships, public and relaxation characters that a person plays in his/her life (Greenhaus & Kossek, 2014). There are sound evidences in the relevant literature that indicate that women keep work life balance as a significant factor while deciding upon their career

[2] https://www.peoplematters.in/article/diversity/is-india-inc-doing-enough-to-move-the-needle-on-gender-diversity-14739, Retrieved on 26/02/2018

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choices long before they have actually entered in to family role. Research has also proven that women due to various reasons choose such career and vocations that fail to utilize their abilities and talent to the fullest. In this process they do not follow their unique career aims and objectives (Abele, A.E., & Spruk, D. 2009).

## III. Theoretical Foundation & Literature Review

Since Parsons (1909) presented the first conceptual framework for understanding individuals' career decision process, a growing number of theories and models of career development and career choice have emerged. Although these models have made substantial contributions to the understanding of career decision making and career development, most theories are based on the experiences of white, middle- class males. Moreover, most career development theories also assume that individuals are free to choose from among an array of alternatives which are available to all. Thus, researchers have begun to question the relevance of these theories to women and individuals from different cultural, ethnic, and/or socioeconomic backgrounds (Betz & Fitzgerald, 1987; Fitzgerald & Crites, 1980). Many of the assumptions of career development theories ignore the social realities of special groups where career development may be constrained by such factors as prejudice, discrimination, and opportunity availability imposed by society's socio-political system (Griffith, 1980; Smith, 1983).

The model derieved out of the Social Cognitive Theory of Bandura (1986) includes personal input variables comprising personal characteristics such as gender, background/context variables comprising environmental characteristics such as parent and family influences, and learning experiences comprising variables such as objective performance, school experiences and role-modeling experiences. These variables shape and inform career-related self-efficacy (e.g, perceived task competence) and outcome expectations (e.g., anticipation of certain outcomes, such as self-satisfaction and financial reward). Self-efficacy and outcome expectations along with personal and contextual variables play an important role in the formation of interests and career goals. However, researchers have accepted the role of cultural considerations and variations in the significance of self in decision making related to valuable life decisions. Career choices is one of those important life decision that is subjected to stimuli and contemplations that are familial and collective in nature.

Review of Literature presents several theories of Career Choice and factors affecting decision making process of men and women. Yet there is a dearth of work focusing specifically to young women who are professionally qualified and are yet not contributing to the workforce.Betz and Hackett (1997) assert that both the theory and measures of career-related self-efficacy are useful both in research examining barriers to and facilitators of women's career development and for designing and evaluating the effectiveness of practice grounded in this theory. Betz and Hackett admit the challenges for a women to not to allow herself to be pushed to traditional career, but to restore options that may have been de facto removed by sexism and gender role stereotyping as well as by other environmental barriers. Overall, self-efficacy theory is thought by many to have great potential for careers work with groups who have traditionally underachieved in certain areas for example, girls, women and minority ethnic groups. One of its strengths is that it doesn't ignore biological, social or environmental influences, or the current context. However, it does assert that as individuals get older, it's more difficult to change interests, goals and performance outcomes.

From a review of a decade of research into women and career development, Phillips and Imhoff (1997) conclude that '*women's lives are complex*'. They note that the past decade has seen significant progress towards understanding this complexity. Fitzgerald et al (1995) stress the need to study concepts and variables for women (such as those identified by Betz, 1994) which were previously regarded as unnecessary and irrelevant, concluding that this will lead to a greater understanding of the vocational behaviour of everyone.

## IV. Career Decision Making by Women

Theories related to women's career development began to emerge in the early 1980's (Astin, 1984; Farmer, 1985; Gottfredson, 1981; Hackett & Betz, 1981). These theories improved on earlier theories by taking into account variables which influence women's career choices, aspirations, and work behaviors. A *socio-psychological model* of career choice and work behaviour titled,' the meaning of work in women's lives' by Astin, Helen S presents a beginning formulation of a theoretical model, which draws from both empirical evidence and past theoretical formulations of career development, to enhance an understanding of women's occupational choice and behaviour. The model, which is need-based and socio-psychological, incorporates 4 constructs: motivation, expectations, sex-role socialization, and the structure of opportunity. She attempted to develop a model of career choice and work behavior that attempted to combine both personal (psychological) and social forces as well as their interaction.

It is over twenty years since scholars began to question the adequacy of the extant career theory for illuminating women's lives. However researchers like Astin (1984) have accepted this long back that women's career choices and career decision making might follow



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a completely different path as compared to their counterparts. Forrest & Mikolaitis (1986) and Gilligan (1982) have suggested that a women's identity is reflected in relational roles that she plays while connecting or differentiating with others. These authors have contributed additional considerations when looking at life roles, such as values, gender, and socialization. Connel(1987) introduces 'gender order' to refer to a historically and archeologically fabricated trend and pattern of power relations between the two broad genders men and women which can later on be institutionalised in various roles of society. Traditional gender order portrays man as the breadwinner and women as home-based caregiver or secondary earner (Gherarrdi 1995 & Poggio 2001). Interestingly when a women breaks this 'male bread winner model' and moves out the house she is automatically expected to choose a professional which is suitable forgiver type of identity of women like nurses, teachers etc ( Tienariet al. 2002). Hansen (1997) has listed gender role socialization, role conflict among family/marriage and work, focus and timing of marriage, inadequate work orientation, and gender role differentiation as some of the barriers in women's career development in her Individual Leadership plan Model. Zunker (2002) defines career related decisions to be affected and taken within the boundaries of a lifelong process of identifying and integrating women's primary needs, roles, and goals within herself and her work/career and family. Having a career and family together has offered many challenges to women (Valdez & Gutek 1987) as work and family roles pose simultaneous demands to women. There is a clear trend across globe that women tend to enter the workforce in lower status, lower paying jobs which are clustered in a limited numbers of conventional careers affected by gender role discrimination and fitting best for women where she can simultaneously devote time for her caregiver roles in family. Heinset *al* (1982) believe that, "Achieving professional status may be more difficult for woman than for men" (p 455).

Domenico & Jones( 2006) believe that career aspirations of women are influenced by gender based stereotypes, socioeconomic status, parent's occupation, Parent's education level and husband education and earning. Leung & Chen (2009), argue that there is significant relationship between women participation in the workforce and the environment enabling their career aspirations and ensuring progress of women's career development.

The current work is an effort to bring forward the fact that there are many talented Indian women who are missing from the workplace. The reason for that is twofold ; one is that the voice of Indian women in terms of career choices and career related decisions is still unheard (a vast gap in women specific/oriented research literature and career theories is an evidence to this belief) are second is that our workplaces have not given due considerations to the women specific expectations. The recent amendment in Maternity Benefits (Amendment) Act 2017, is an exception and a welcome step, but there is still lot more that requires to attract and retain women talent in Indian workplaces.

The amendment protects employment of women and grants 26 weeks of paid leaves (for the first two children) as compared to 12 weeks in the past. The initiative is good enough to bring back the focus on outlook towards maternity at Indian workplaces. The amendment envisions many qualitative benefits and seeks to uplift the work conditions as well as work life balance of working mothers phenomenally. It is expected that this amendment will benefit around 1.8 million working mothers, as it applies to both the private and the public sector. But is this quantitative gain enough to ensure inclusive workplaces in India? The important question that arises is the objectives that this amendment seeks to achieve. Will it be a change agent in improving gender parity at Indian workplaces? What we need is a change in the mindset towards working mothers, which is not easy in a patriarchal society like India. There is a section of corporate India like, HSBC Global, SAP Labs India, Accenture India and Make My Trip.com etc which a consciously designing gender sensitive policies. But at the same place, we have many companies where women still have to face discrimination of all forms when they move on the family way.

*Indian Women are leaving the Workplace at the Fastest Rate:*

Large number of women is leaving the workforce in India. There is a drop in the percentage participation of working age Indian women by 10 %. This is the largest drop in the world (ILO Report 2016). Only 27% of the female population aged over 15 is working in India. This is the lowest rate of women's participation in any workforce among the BRICS (Brazil, Russia, India, China and South Africa) countries; with the highest in China at 64% (World Bank Report 2013).This is a jolt to the initiatives and the efforts towards gender equality at workplace. We are losing 48% of women during the transition from junior to senior positions (Gender Diversity Benchmark for Asia Report 2011). Losing a woman employee in the first 7-12 years of her career is huge productivity loss to any company. Right and effective maternity policy for Indian workplaces is a need of hour. With 87th rank in Gender Equality Index we report progress on mitigating the gender gap this year in the area of salary/wage equality and across other indicators of the Educational Attainment sub index. It resulted into sealing the wide enrolment gap in primary and secondary education (World Economic Forum 2016). McKinsey Global Institute study says that by 2025 there is a possibility of increasing the Gross Domestic Product (GDP) of India by between 16% and 60%,

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merely by facilitating female workforce participation in the economy equal to men (Abraham 2013). India will have a working age (under 30) women population of almost 250- 300 million by the year 2020. This is such a huge potential which equals to the entire population of the US or Italy, Germany, France and the UK combined (NSSO 2011). This astounding figure reveals the significant role that Indian women can play in Indian economy and business. Apart for the evidences those advocate gender equality in India and claim that this could radically add to its GDP, there are numerous arguments to support the fact that India simply can't afford to wait for gender equality at workplace.

*An Inclusive and Innovative workplace for Women:*

An inclusive, flexible, conducive and innovative workplace plays a significant role in harnessing the immense potential of trained/experienced women. Women workforce in India contributes 32% to the informal economy (which includes agriculture also) and 20% to the non-agriculture based jobs. Not surprisingly but a huge portion of female workforce (57%) is engaged in home based ventures (Report of Ministry of HRD 2014).

There could be several reasons for this. Some of these reasons are insufficient childcare facilities, non-conducive work environment for working mothers due to unfavorable policies, very few initiatives to help and counsel new mothers to support their trouble-free comeback, various socio-cultural stereotypes and gender role differentiation in terms of child care and parenting in India. Successful reintegration of women talent also requires metrics at the right place to measure and utilize the effects of this change in future. Indian workplaces need to work in these areas to fill the huge gender gap.

## V. Research Gap

Research has indicated that balancing work and family is on the minds of college-age women even when they are unmarried This is also evident that women mostly choose those career options that allow them more time with family and create less challenges. They also see their career choices from the lenses of perceived work life balance in particular profession and prefer family or gender specific (?) jobs. There is a possibility that a girl chooses a course leading to a specific career keeping various societal pressures and pre conceived notions in mind. These gender role biases might prevent her in choosing a career that might be her true talent and also aspiration. There is a very crucial role of organization in terms of creating an employer brand or carreridentitiy that is either women friendly (?) or may too demanding and unfriendly (?). Indian society of 1980s and 1990s was a typical playfield offering very few career choices both to men and women. With the advent of technological advancement and liberalization policies of them Narsimha Rao Government the career opportunities which were previously very limited gradually expanded. Among the limited career opportunities the scope was even narrow for women. Professions like teaching, medical and nursing were listed as most nobel career options for women. There were very limited women barristers, bureaucrats, judges or journalists. In such scenario, this paper is set in the social and cultural background of India of late 1980s and 90s and intends to explore the role of doing gender in career decision making by way of autoethnographic study.

## VI. Methodology

Autoethnography is a type of research that uses writing and self-examination to explore far-ranging cultural, political, and social issues through personal experience. It is a qualitative, reflexive, ethnographic method where the researcher is also the subject of inquiry (Ellis, Carolyn; Adams, Tony, Bochner & Arthur 2010). Ernst & Vallack (2015) argue in favour of autoethnography and warn the social science researchers against the possibility where individual exceptions become less important than the general trends. Caretta, Drozdzewski, Jokinen & Falconer (2016) very recently, make use of reflexivity, autobiographical writing, and reflection, to analyse increasingly stressful and demanding working conditions of early academicians.

Adopting autoethnographic approach both as the process as well as a product of the investigation is a well thought of decision by the author who herself is a management graduate and is involved in a very women friendly (?) or perceived to be so, profession. By using autoethnography as the research method, this paper intends to investigate aspects of doing gender in career decision making. Starting with a reflective examination of myself as the author and gender as one of the factors in the process of my career related decision making, the aim is to investigate questions of culture, social norms, gender stereotypes, familial influences, self-concept and identity. During the course of data collection for two of my papers; one related to identifying (using narrative enquiry) career anchors of educated women who are not participating in the workforce, and other seeking to explore male member's (of the family) intercession in the career choice decisions of management graduates (who have shared their career autobiographies with the author and are pursuing a particular stream of education), I came across the singularity of some cultural, social and economic phenomenon in career decision making of women. While conducting narrative enquiry of the in-depth interviews of these women the author came across with the possibility of involving herself as a subject due to the similarity of incidents/anchors/



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motivators (de-motivators) and frequency of occurrence of these incidents/anchors in her own life.

*a) An Autobiographical Account*

"I was born as second girl child of well-educated parents whose thought process and life style was much ahead of their time. Four of us were living in a pseudo nuclear family. It was a pseudo nuclear family as my grandparents were living in the same building which was a huge premise encompassing the families of two of my uncles as well. It was a trier III city which had enjoyed as well as suffered the locational advantage and disadvantage of being very nearby to the capital of the State."

"One of my uncles had three girls and another had a son as the only child. In total we were seven cousins living almost together."

"My mother was the only daughter in law in the family who was working and was also been respected for the high education that she possessed."

"A confident working mother and a supporting husband who was not only proud of her wife's dedication towards career but was also the strongest supporter pillar of her aspirations and successes was the natural environment in my family."

"Attaining Education and aspiring for a Career was inbuilt in my DNA. Gender was not at all the guiding force in my family till I reached to my graduation days."

"We played all sorts of sports I had not encountered the episodes of 'doing gender in my family till then.

*b) A tomboy or a Girly girl*

**"**Without a single deliberate effort by my parents or me, I grew up, to know that my cousins use to reiterate my identity as a tomboyish person and my elder sister as a girly girl."

"All I knew was that I was a go-getter, bold, confident and outspoken girl and so was my sister with a bit of shyness and a bit of less opinionated identity. She was also a confident and extrovert person; thanks to the upbringing given by our parents!"

*c) Making a Career Choice decision*

"I remember it was summers of 1998, and I was about to finish my last year of graduation, when I received the call letter from Indian Institute of Mass Communication, for appearing in an interview to get admission in Masters of Journalism."

"If I get admission there it was going to be the beginning of a new life for me. A life full of adventure, passion and unpredictable working life with lesser scope for family time and work life balance. (This was my way of thinking and my perception about journalism as a career in India)."

"Off course I filled up the form, off course I had prepared for it, off course it was one of the finest places in the country to pursue such course."

"Then what was bothering me. A tomboyish girl who was bold enough to travel frequently from her home town to the nearby city Lucknow; was appreciated from her writing and speaking skills and had also represented her university at the State level Debate competition (which required staying at a far off hostel at Hyderabad for four days) was thinking the way quite unlikely of her".

"Something was bothering me."

"I had anticipated a much predictable career and a much routine working life for me."

"Who was this new version of mine?"

"Was it really new, or was it just hidden from me and I was till then not aware of my true self- image.

"It was strange to get along with this unknown self-identity."

*d) Am I Cut for Journalism?*

Despite being able to cross a very small hurdle in my way to get admission in the course of Journalism, I simply let it go and convinced myself that it must not have been an appropriate field for me."

"What is that appropriate field? Who will decide the degree and criterion for appropriateness?"

"My parents neither encouraged nor motivated me to take choose journalism as my career"

"They were as neutral as possible."

"Where from this feeling and self -belief that journalism is an over demanding field which expects more than what I have in store to offer to my career creped in me.

*e) Choosing an Appropriate (?)Career*

"During my post-graduation days the most certainly available career path for me was of a HR person owing to my training as Masters of Human Resource Management & Industrial Relations."

"From no-where the idea of appearing for a National Eligibility Test for Lecturer ship came to me and I qualified the coveted exam in my first attempt."

"By the year 2001, I was a management graduate, working as a monitoring and evaluation consultant in one of the leading NGO of Lucknow and was busy in my usual working life.

"Then one fine day the qualifying certificate which proved to be my gate pass to the world of higher education and becoming an academician, arrived at my home."

"I could read the happiness and comfort in the voice of my parents when they informed the news to me on my office's landline phone (mobiles were not the usual way of communication then)."

"Oh; so this was that most appropriate career for me."

"Was I cut for becoming a professor?"



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"Am I?"

"Does this career guarantee the work life balance that is one of the crucial conditions for me from my working life?"

"Am I unknowingly following the path that my mother walked?"

"Am I treating her as my role model?"

"I did not actually know that at that time."

"Is teaching a really Flexible Job?"

"Or is it one of those most appropriate careers for a woman?"

*f) It is definitely not as easy as I thought?*

As a person I never became the victim of gender role differentiation. I was never told to do something or not do something just because I fall in to a particular biological category of sex. I have never seen such environment in my family where cooking cleaning etc. is a 'women only' job and earning or bread winning is a 'male only' domain. That means I have never faced a 'second or third party gender doing.' Then who instigated my decision to choose a so called women friendly career. Was it the societal, familial and cultural environment that very subtly has played its role or was it my perception towards specific careers and certain degree of perceived scope of work life balance associated with these careers? Or was it my intentionally made decision to choose a career where the scope of autonomy, flexibility and work life balance is one higher side.

One thing was clear. Work life balance was my dominant career anchor (Schein 2012). Finding out the role of gender role differentiation and gender doing in framing this particular career anchor is the arena where future research is possible while using the same autobiographical and ethnographic approach. As present study intends to take only career choice into its purview of exploration, the life story is depicted only up-to the phase when the author has made her career choice decision. Challenges in the way of career development and growth is another field of study that might get affected with gender role differentiation and gender doing once the author has played another life roles of a wife and mother. Latest studies and surveys have strikingly mentioned that that it is the most demanding phase in a women's professional and personal life and the pipeline is quite leaky there.

## VII. Theoretical Contribution

Precisely it explores the role of doing gender in career decision making of women. Autoethnography is a method of research that involves describing and analysing personal experiences in order to understand cultural experiences. The method challenges canonical ways of doing research and recognizes how personal experience influences the research process. Autoethnography acknowledges and accommodates subjectivity, emotionality, and the researcher's influence on research. This paper also makes an effort to provide a historical and conceptual overview of autoethnography. The reasons for coming to autoethnography for exploring gendered career decision making by women and identify key concerns and considerations that led to the use of this method are good enough. This paper is both product and process of autoethnography for collecting evidences of doing gender in career decision making of women. All of the pieces of narratives in this paper share some characteristics: Each one is the result of a rigorous examination of the self and lived experience, and each one moves between the subjective and the cultural in its analysis.

## VIII. Managerial Implication

Women form an integral part of the Indian workforce. Gender Equality is one of the ambitious goals under Sustainable Development Goals (SDG). Researchers have noted that understanding differences among women is critical for crafting policy and making public investments that meet their needs and expand their choices and opportunities. The autoethnographic revelations of realities of challenges and anchors of career decision making by women might be a key contributor towards framing more sustainable and future oriented workplace policies and practices. A sincere effort towards hearing the voice of women and including them in the process of decision making is the need of hour. Without which the real concerns, true stories, deep pains and moments of ultimate joy will remain unnoticed and unaccounted.

To make our workplaces more inclusive and sustainable is the need of hour and should be the prime focus of our policy makers. Corporate world needs to take this issue far more seriously than ever. In today's world of war for Talent India Inc. cannot afford to miss even a single trained worker to be out of the workforce. The expenditure done on training women engineers, doctors, and managers etc will be utter waste if we fail to create a suitable match between their life roles and career expectations. Gender role differentiation has done enough harm to our economic and societal wellbeing and this is the time to challenge it with full force and right intentions. More researches and in-depth analyses in this area and more explorations to hear ' Her' voice in the world of education and career can reap the desired results in coming future. There is a lot more scope in this field for more qualitative as well as quantitative studies and empirical future researches.

*Notes*

1. Although I treat this autoethnography as "my" story, I needto confess and admit that my parents, elder sister and cousins are also the writers" of this story.



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I have intentionally used the principal individual particular to elude communicating for them, but I want to concede their full contribution in constructing my life story the way it is.

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# Knowledge Management Practices and Family Business Profitability: Evidence from Lagos State, Nigeria

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*Abstract-* Context observations have indicated that family businesses are common in Nigeria and their going concern has generated academic debate and public discourse. Nevertheless, the factors orchestrating profitability in these family businesses are divergent and geographically diverse. One of the major issue to which this can be attributed to is the rarity of proper knowledge management practices. This paper adopted survey research design. Target population comprised of 503 selected SMEs operating in Lagos State and Yamane sample size method was adopted. Data was collected through the use of structured questionnaire adapted and validated for the study. The Cronbach's alpha coefficient for the constructs ranges between 0.850 and 0.775. The questionnaire response rate was 93.2%. The data were analyzed using descriptive and inferential (Pearson product moment correlation and regression analysis) statistics. The analysis of the data revealed that knowledge management practices had a significant effect on the profitability of family business ($R^2$=0.614, $F_{(6, 461)=}$ 125.006); $p<0.05$).The paper concluded that knowledge management practices are pertinent to enhance the profitability of family businesses.

*Keywords:* *family business, knowledge management, lagos state, profitability, resources.*

*GJMBR-A Classification:* *JEL Code: M10*




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# Knowledge Management Practices and Family Business Profitability: Evidence from Lagos State, Nigeria

Olubiyi, Timilehin Olasoji

*Abstract-* Context observations have indicated that family businesses are common in Nigeria and their going concern has generated academic debate and public discourse. Nevertheless, the factors orchestrating profitability in these family businesses are divergent and geographically diverse. One of the major issue to which this can be attributed to is the rarity of proper knowledge management practices. This paper adopted survey research design. Target population comprised of 503 selected SMEs operating in Lagos State and Yamane sample size method was adopted. Data was collected through the use of structured questionnaire adapted and validated for the study. The Cronbach's alpha coefficient for the constructs ranges between 0.850 and 0.775. The questionnaire response rate was 93.2%. The data were analyzed using descriptive and inferential (Pearson product moment correlation and regression analysis) statistics. The analysis of the data revealed that knowledge management practices had a significant effect on the profitability of family business ($R^2$=0.614, $F_{(6, 461)=}$ 125.006); $p<0.05$).The paper concluded that knowledge management practices are pertinent to enhance the profitability of family businesses. The paper recommended that for family businesses to continue to gain profit and survive, knowledge management must be put into a strategic plan so that employees have adequate capability and knowledge sharing culture.

*Keywords: family business, knowledge management, lagos state, profitability, resources.*

## I. Introduction

Modern-day businesses operate in a turbulent and dynamic environment, where a strong competition prevails. Knowledge is increasingly becoming a valuable asset for most businesses and the quest to manage this asset is gaining popularity among scholars and policy makers. Furthermore, context observations have indicated that family businesses are common worldwide and their profitability and performance has generated academic debate and public discourse even in Nigeria. Nevertheless, in recent years knowledge management is emerging in the business world not only as an important aspect of doing business but also as a strategic source that increases potential in organizations to achieve competitive advantage factors orchestrating their profitability are divergent and geographically diverse. Some identified reasons are poor technical know-how, poor knowledge sharing, non-availability of suitable technology, marketing problems, lack of skilled manpower, weak transfer of competitive intelligence, and inadequate knowledge to carry on the business, due to sudden death, incapacitation, and unplanned resignations or retirements of major business leader (Aruna, 2015, Morris, Williams, Allen, & Avila, 1997; Paul, Parthasarathy & Gupta, 2017).

In addition, the structure and size of family-owned firms vary depending on resource utilization and industry, even though they are often perceived as small businesses. Related studies have also shown that less than one-third of family businesses continue to the second generation and less than half of second-generation family enterprises make it to the third generation when the founder/manager retires or dies (Ogbechie & Anetor, 2015). One of the major issues to which this can be attributed to is the rarity in proper knowledge management practices. With emphasis, a lack of adequate knowledge management (KM) deters the creation, accumulation, organization, reuse, retrieval, sharing, and transfer of knowledge in organizations (Alavi & Leidner, 2001) for the competitive advantage needed. Family business research has been gaining impetus in recent years (Chrisman, Kellermanns, Chan, & Liano, 2010; Xi, Kraus, Filser, & Kellermanns, 2015), since they possess great potentials for employment generation, improvement of local technology and development of indigenous entrepreneurship within large scale industries as demonstrated by the Central Bank of Nigeria (CBN). CBN, (2011) further articulated that SMEs or family businesses can reduce poverty, inequality disparity, and social vices and are catalysts of innovations, inventions, and creativity; family businesses equally stimulate indigenous entrepreneurship. However research on the important role of tacit knowledge and technical expertise, which are intangible source of competitive advantage to family businesses, has only been sparingly dealt with in developing country like Nigeria. Therefore, the inability of family business-owners to leverage on knowledge management practices frequently lead to business discontinuity, disruptions and lack of profitability.

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## II. Overview of Knowledge and Knowledge Management

Knowledge comes from the experiences and skills of employees. Knowledge has become an area of rising interest in organisations and a source of competitive advantage which is acknowledged by many authors such as Bosua and Venkitachalam, (2013); Gu, Jitpaipoon, and Yang, (2017); Noruzy et al., 2013; Torres, Ferraz, and Santos-Rodrigues, (2018). According to Raja pathirana and Hui (2018) knowledge is an asset, which enables an organization to be innovative and remain competitive in the market. Researchers identify knowledge as a mixture of concepts, ideas, rules, and procedures that guide actions and decisions (Emadzade, Mashayekhi, & Abdar, 2012). Family business exposure to internal and external knowledge promotes the level of learning necessary for generating value and profitability (Palacios-Marqués, Peris-Ortiz, Merigó, 2013). In recent years knowledge management is emerging in the business world not only as important aspect of doing business but also as a strategic source that increases potential in organizations to achieve competitive advantage. Consistent knowledge management (KM) intensify the possibilities of the family business to become the long-term and successful organizations. The knowledge that organizations possess is one of the most important assets that help them in attaining competitive advantage, even in some cases, it becomes more important than the financial resources and all other tangible assets (Chawla & Joshi, 2011).

Knowledge management is a key factor in generating innovation, and it serves as an enabler to achieve profitability and performance (Harris, McAdam, McCausland, & Reid, 2013; Kostopoulos, Papalexandris, Papachroni, & Ioannou, 2011). Knowledge management is a process through which organizations can identify, select, organize, publish and transmit vital information and skills that are part of the history of the organization and can be found in an unstructured form in the organization (Turban, 2006). The purpose of creating a knowledge management (KM) capability or functionality in organization is to manage the intellectual properties of that organization. This includes the creation, transfer, sharing and utilization of knowledge itself to achieve organization strategic and business objectives. In a similar vein, knowledge management is the discipline that focuses on capturing, organizing, filtering, sharing, and retaining key corporate knowledge as an asset (Centobelli, Cerchione & Esposito, 2017). Knowledge management involves any systematic activity related to the capture and sharing of knowledge by the organization. (Aziz, Lotfi, & Dahlan, 2015).This view recognizes that knowledge is a critical organizational asset and the ability to deploy knowledge distributed across an organization is an important source of organizational sustainability.

Knowledge in the family business is defined as the wisdom and skill that family members have acquired and developed through education and experience both inside and outside the business (Chirico, 2008). According to Salami and Mercy (2015) and Chirico (2008) knowledge in the family business is defined as explicit and tacit knowledge, which family members have gained and developed through education and experience within and outside the organization. According to Lombardi (2019), knowledge enables organizations to be innovative and remain competitive in the market. However, individual knowledge and the knowledge not transferred to another colleague of the organization will never become collective or organizational knowledge. Such knowledge may over time be lost (in case of employee's demise or resignation). Therefore, family business profitability in today's competitive and dynamic environment depends essentially on the ability of the owner-managers to use knowledge management practice to advantage (Lai, Hsu, Lin, Chen, & Lin, 2014; Mangiarotti & Mention, 2015). Shahzad, Bajwa, Siddiqi, Ahmed, and Sultani, (2016) purported that a firm's competitive advantage lies in the ability to collect, accumulate, integrate, disseminate, and exploit knowledge which corroborates the knowledge-based view (KBV). Al Ahbabi, Singh, Balasubramanian, Gaur, (2019) summarized this as follows: the simple aim of knowledge management is to leverage knowledge to the organization's advantage. Some of management's motives are obvious: the loss of skilled people through turnover, pressure to avoid reinventing the wheel, pressure for organization-wide innovations in processes as well as products, managing risk, and the accelerating rate with which new knowledge is being created.

Resources can consist of human, social, physical, and organizational resources, among others. Knowledge-based resources suggest that a firm's ability to create and utilize knowledge is one of the most important sources of sustainable competitive advantage according to Davenport, (2013).The first stage of knowledge management practice is knowledge acquisition, follow by knowledge creation, knowledge capture, knowledge sharing, knowledge transfer, and knowledge application and training(Cohen & Olsen, 2015). Therefore, knowledge should be employed to solve problems facing organizations and knowledge application should aim at achieving the family business goals. According to Allameh and Abbas, (2010) knowledge is categorized into three levels: 1) Core Knowledge: which required a minimum amount of knowledge that is necessary for the completion of learning process. 2) Advanced Knowledge: entails knowledge that helps the family business to be competitive for having its own knowledge. 3) Innovative

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Knowledge: knowledge that enables the family business to govern its industry and competitors.

*a) Knowledge Creation*

Knowledge creation is the generation of new ideas, the recognition of previously unseen patterns, the synthesis of separate disciplines, and the development of new processes (Bhatt 2001; Davenport & Prusak, 2000). Knowledge creation can be well developed in family firms due to the high level of emotional involvement of family members and the socially intense interactions fueled by trust between family members and with external parties (Cabrera-Suarez et al., 2001; Chirico, 2008).

*b) Knowledge Capture*

Technology will be the platform to support the capture, storage and access of the knowledge; social elements will deal with the human factor and what affect knowledge sharing within individuals in an organization. According to Martin and Matlay, (2003) the entire knowledge of an organization is usually stored in four main forms that are employees' brains, paper documents, electronic documents and electronic knowledge bases. According to Tseng and Lee, (2014) knowledge is the most important intangible asset. Therefore business managers strive in many ways to capture and use this asset to create the highest value.

*c) Knowledge Sharing*

This can be attributed to exchange of knowledge among individuals, and within and among teams, organizational units, and organizations. Knowledge sharing in the context of family business involves a situation where the knowledge of the older generation, learned often during a long time of work, is to be shared with the younger generation (Nonaka & Takeuchi, 1995). A fundamental part in knowledge management practice is to spread and make knowledge accessible and usable within or between chosen organizations like holding regular meetings for the exchange of information among employees. New technologies such as teamwork, office automation, internet, intranet and other technologies can also contribute to the dissemination of knowledge (Yaghoubi, Karimi, Javadi, & Nikbakht, 2011). Therefore, it is important for founder/predecessor to share adequate key knowledge and skills with the successor's in other to sustain succession and family business performance and continuity.

*d) Knowledge Transfer*

Knowledge transfer is the transmission of knowledge from a person/possession to another person/possession (De Luca, & Cano Rubio, 2019). According to Jo-Rhodes, Lok, Ya-Hui, Chi-Min, (2008) knowledge transfer is critical to the performance of knowledge creation and in leveraging knowledge for greater family business performance. The purpose of knowledge transfer is to pass information from the more experienced to the less-experienced employees so that the less experienced employees can build the capabilities needed to assume future roles in the organization (De Long, 2004). According to Jones and Mahon (2018), the process of knowledge transfer between business units is an essential aspect of knowledge management the transfer of knowledge, capabilities, responsibility and power, are linked to each other the free and unlimited exchange of knowledge could be regarded as a virtue by itself.

*e) Knowledge Application*

Knowledge application amongst family business owners and employees is crucial for the family business profitability, performance and continuity. In literature innovation is the result of knowledge dissemination and application. Therefore, organizational knowledge should be applied in line with the organization's products, services, and processes. Consequently, knowledge should be employed to solve problems facing the organization and knowledge application should aim at achieving the organization's goal. Knowledge application would be improved by taking a proactive approach in converting knowledge into practical actions, developing new ideas and methods, and regularly reviewing and challenging existing information. (Nonaka & Takeuchi, 1995). Brainstorming, discussion groups, or external advisors could be specifically tasked to assess how knowledge is being used and how it could be better applied (Juan, Bou-Llusar, & Segarra-Ciprés, 2006). Operational indicators of knowledge application include: the application of information, skills and abilities of employees in doing things like ICDL, the use of Internet networks, extranet, office automation, and the reduction of the referral of citizens by using new information systems or services such as websites (Anvari-erostami & Shahabi, 2009).

*f) Knowledge Training*

What is training? Training is the systematic development of knowledge, skills and attitudes (KSA) required working effectively (Nilesh & Yadav, 2018). Training aims to change behaviour and it is an agent of change. For example, water-supply operators with limited skills and knowledge in water treatment can, through training, be made aware of the importance of variations in raw-water quality, and become motivated and skilled to act to ensure the supply of safe drinking-water. In the training process knowledge and skill on their own will not lead to changed behaviour unless accompanied by motivation and a supportive environment. Moreover, training programmes should be designed to carter for the different needs. Further still, the training programme, content and the trainees' chosen depend on the objectives of the training programme (Mojca & Marina, 2013).



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## III. Profitability and Family Businesses

A profit is what is left of the revenue a business generates after it pays all expenses directly related to the generation of the revenue, such as producing a product, and other expenses related to the conduct of the business activities. Profit can vary due to the different family values and goals placed on the firm but the longevity of the business is dependent on profitability. Profitability is the ability of a business to earn a profit and profitability is also known as the financial performance. According to Venkatraman and Vasudevan (1986) profitability primarily reflects current performance. Similarly, profitability is considered by Hunt and Morgan (1995) as the ultimate organizational outcome and is commonly used in strategic management studies.

The profitability of a family business attracts new investors for future projects and production financing. According to Tagiuri and Davis (1996) family firms are "organizations where two or more extended family members influence the direction of the business through the exercise of kinship ties, management roles, or ownership rights". Family relations influence how the family business is governed and managed (Hoffman et al. 2006). Family businesses are the dominant form of business and the most important contributor of economic growth in almost all countries (Neubauer & Lank, 1998). Family businesses constitute a major portion of our economy (Heck &Stafford, 2001; Olson, Zuiker, Danes, Stafford, Heck, & Duncan, (2003); Rowe, Haynes, & Stafford, 1999; Shanker & Astrachan, 1996).Family businesses are the most popular form of business organization in the world and several of the world's most influential and successful businesses are family-owned and operated, many of them becoming household names (Lu, Liang, Shan, & Liang, 2015).Family business is equally prevalent in Nigeria as in other parts of the world, and it is perceived as key to Nigeria's economic growth, poverty alleviation and employment generation. In Nigeria, ample size of the family businesses belongs to small and medium-sized enterprises and most of the family businesses are actively involved in manufacturing, retailing and service industries. The discourse on family business continuity will not be complete without looking at the possibility of the impact of the knowledge management as well as succession planning practices.

Families make a substantial contribution to the family businesses. Family business and firm profitability is a popular topic in international business literature. Researchers have focused on the relationship between family business and its profitability and found various effects. For example, the positive effect has been recognized by (Darvish, Mohammadi, & Afsharpour, 2012; Darvish & Nazari, 2013; Francis, (1999). Noruzy et al., 2013; Rajneesh & Kaur, 2014), or no effect at all (e.g., Brewer, 1981; Morck & Yeung, 1991). Research has also reported that is adopted mainly by large corporations (Cohen & Olsen, 2015; Delen, Zaim, Kuzey, & Zaim, 2013). These conflicting results suggest the complexity of the relationship between family business and profitability. Besides the possible choices of focusing on small, medium, or large sized family business and the choice of paying attention to management, control, ownership or a combination of those, scholar must also select performance measures for his research, when comparing family businesses to nonfamily businesses.

Several studies on family business performance have focused on firm profitability. Because firm performance is a multidimensional construct, any individual strategy can have differential effects on different dimensions of firm performance (Lu, Liang, Shan, & Liang, 2015). In literature family business researchers may use multiple financial and non-financial measures to assess performance in a study, examples of non-financial measures according to Williams (2018) are adapting to client needs, staff development, environmental protection, customer satisfaction, service quality, quality of life at work, time to be with the family, family loyalty and support, family unity, respected name in society, customer loyalty to family name, good reputation in the business community, family interest in the enterprise, development of children's skills, and generate possibilities for the children (Basco & Rodríguez, 2009).

Furthermore, prior studies have focused almost exclusively on profitability as financial dimension of performance, either by accounting-based measures, such as return on assets, or by market-based measures, such as Tobin's q. Return on assets (ROA) percentage shows how profitable a company's assets are in generating revenue. ROA is often computed using - earnings before interest, tax and amortization (i.e. net income) divided by the book value of total assets -. Many papers which samples cover more than five years find superior performance of family firms by this measure (Anderson & Reeb, 2003; Gholami et al., 2013; Seleim& Khalil, 2007; Shahbakhsh, 2013; Shehu, Bello, Rogo, & Mahmood, 2015; Zack, McKeen, & Singh, 2009).

### *a) The Resource-Based View (RBV)*

The resource-based view (RBV) provided part of the framework for the theoretical and empirical approach for this study. The resource-based view (RBV) perceives the family as a resource contributing to the success and continuity of the business. According to the resource-based view the competitive advantage of the firm depends on all of its resources and its capability to take advantage and leverage on them (Teece, Pisano, & Shuen, 1997). The resource-based view has been one of the dominant theories used to explain strategy in

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family businesses (Chrisman, Kellermans, Chan, & Liano, 2010). Firm resources can be tangible or intangible. Furthermore, from the point of view of long-term survival and family business continuity, the family is a resource in the business (Habbershon & Williams, 1999). According to Dyer 2006 to gain competitive advantage family businesses combine their family specific resources with other productive resources (staff, technology, customer relations, supplier chains, financing) in a way competitors cannot imitate.

## IV. Methodology

This paper employed the survey research design method. The adoption of this design is consistent with the study of Abd Rahman, Sambasivan and Wong (2013) and Asikhia (2010) which engenders detailed and reliable explanation of the relationship among variables. It was also influenced by the research problem and its corresponding research questions. The target population and focus of this study is family businesses that are small and medium enterprises (SME's) in other words; family-owned SME with a single-family having over 50% of the shareholding. The population of the study consists of owners, family members, and management workers of Small and Medium Scale Enterprises (SMEs) in selected Local Government Areas of Lagos State. For this paper, the researcher identified family-businesses operating in Apapa, Ibeju-Lekki, Ikeja, Lagos-Island and Lagos Mainland in Lagos State. These are five (5) Local Government Areas where activities of SMEs and family businesses are pronounced and prominent in Lagos State. The design of the questionnaire was based on the family business definition of Sindhuja, (2009) adopted for this research with a particular focus on the ownership structure.

## V. Results and Discussion

The number of copies of questionnaire administered to all the respondents was 503. After coding and checking for accuracy in the data, 469 copies of the questionnaire were found useful for the study. This gave a response rate of 93.2% and 34 copies were not received which represented 6.8% of the total copies of the questionnaire distributed. Therefore, information from all the copies of the questionnaire were used for the analysis. The regression weights were then compared when organizational factors are controlled and when they are present. The difference was attributed to the moderating effect of organizational factors. In the regression model, family business continuity was the dependent variable; knowledge management and lengths of time in existence were the predictor variables. The regression results for the test are presented in Tables 2.1, 2.2 and 2.3

*Table 2.1:* Results of Multiple Regression Analysis on the effect of knowledge management practices on profitability of family business owners in Lagos State, Nigeria

| Model Summary | | | | |
|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | 0.787[a] | 0.619 | 0.614 | 2.67673 |
| a. *Predictors: (Constant), Knowledge Training, Knowledge Creation, Knowledge Capture, Knowledge Sharing, Knowledge Transfer, Knowledge Application* | | | | |

*Source: Field Survey, December 2018*

Table 2.1 presents a summary of regression model containing the value of R, $R^2$ and Adjusted $R^2$ equal to 0.787, 0.619, and 0.614 respectively. The results reveal the six dimensions of knowledge management practices (i.e., knowledge training, knowledge creation, knowledge capture, knowledge sharing, knowledge transfer, and knowledge application) when combined together to determine their effect on the profitability of family business owners in Lagos State yielded a coefficient of multiple correlation (R) = 0.787 and adjusted coefficient of multiple determination (Adj. $R^2$) of 0.614 which is significant at 0.05 level.

The adjusted coefficient of multiple determinations (Adj. $R^2$) of 0.614 suggests that the six independent variables (knowledge training, knowledge creation, knowledge capture, knowledge sharing, knowledge transfer, and knowledge application) of knowledge management practices that were studied jointly accounted for 61.4 percent of the variance in profitability of family business owners in Lagos State, Nigeria. The remaining unexplained 38.6 percent could be due to other factors that were not considered in this model. With this value (61.4%), there is an indication that the stated knowledge management practices affect the profitability of family business owners in Lagos State, Nigeria.



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*Table 2.2:* Summary showing the analysis of variance of effect of knowledge management practices on profitability of family business owners in Lagos State, Nigeria

| ANOVA[a] | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
| 1 | Regression | 5373.919 | 6 | 895.653 | 125.006 | 0.000[b] |
| | Residual | 3303.004 | 461 | 7.165 | | |
| | Total | 8676.923 | 467 | | | |

a. *Dependent Variable: Profitability*

b. *Predictors: (Constant), Knowledge Training, Knowledge Creation, Knowledge Capture, Knowledge Sharing, Knowledge Transfer, Knowledge Application*

*Source: Field Survey, December 2018*

From the ANOVA analysis results Table 2.2 knowledge training, knowledge creation, knowledge capture, knowledge sharing, knowledge transfer, and knowledge application have a combined significant effect on the profitability of family businesses in Lagos State, Nigeria given that their overall p value is equal to 0.000 in this paper. The regression analysis results in the ANOVA output table indicates that the overall regression model predicts the profitability of family businesses in Lagos State, Nigeria well at 95% confidence level which indicates that statistically, the model applied can significantly predict the changes in the profitability of family businesses in Lagos State, Nigeria. To test the hypothesis, the F value (125.006) is compared against the F table at 6 and 461 degree of freedom and 5% level of significance, which is at 2.02. Therefore, since F value (78.821) is greater than F Table (2.2) we reject the null hypothesis three ($H_{03}$) which states that there is no significant effect of knowledge management practices on profitability of family businesses in Lagos State, Nigeria. This conclusion can be confirmed by the correlation coefficient R at 0.787 or 78.7% (see table 2.2). Therefore, it is hereby concluded that there is a significant effect of knowledge management practices on profitability of family business owners in Lagos State, Nigeria.

*Table 2.3:* Multiple regression coefficients of effect of knowledge management practices on profitability of family businesses in Lagos State, Nigeria

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -1.517 | 0.663 | | -2.287 | 0.023 |
| | Knowledge Creation | 0.233 | 0.043 | 0.261 | 5.356 | 0.000 |
| | Knowledge Capture | 0.403 | 0.066 | 0.319 | 6.089 | 0.000 |
| | Knowledge Sharing | 0.700 | 0.075 | 0.684 | 9.353 | 0.000 |
| | Knowledge Transfer | -0.224 | 0.099 | -0.199 | -2.271 | 0.024 |
| | Knowledge Application | 0.105 | 0.118 | 0.092 | 0.889 | 0.375 |
| | Knowledge Training | -0.287 | 0.065 | -0.272 | -4.435 | 0.000 |

a. *Dependent Variable: Profitability*

*Source: Field Survey, December 2018*

The results in Table 2.3 shows that holding independent variables that is, knowledge training, knowledge creation, knowledge capture, knowledge sharing, knowledge transfer, and knowledge application to a constant zero, profitability of family businesses in Lagos State was -1.517. The column labeled "Unstandardized Coefficients" revealed unstandardized regression coefficients for knowledge creation, knowledge capture, knowledge sharing, knowledge transfer, knowledge application, and knowledge training to be 0.233 (t = 5.356, p = 0.000), 0.403 (t= 6.089, p= 0.000), 0.700 (t= 9.353, p= 0.000), -0.224 (t= -2.271, p= 0.024), .105 (t= .889, p= 0.375), and -.287 (t= -4.435, p= 0.000) respectively.

The results revealed knowledge training, knowledge creation, knowledge capture, knowledge sharing, and knowledge transfer, have significant effect on profitability of family business owners in Lagos State, because their p-values are greater than 0.05 overall significance level. However, the coefficient of and knowledge application is positive and not statistically significant (p-value > 0.05). An evaluation of the coefficients of knowledge transfer and knowledge training in Table 2.3 revealed that both knowledge transfer and knowledge training have negative and significant coefficients of -0.224 and -0.287 respectively, indicating that profitability of family businesses in Lagos State moves in the opposite direction with the changes in knowledge transfer and knowledge training and that a 1 unit change in knowledge transfer and knowledge training respectively causes -0.224 and -0.287 respectively units changes in profitability of family businesses in Lagos State.



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Further check on coefficients of knowledge creation, knowledge capture, and knowledge sharing reveal that knowledge creation, knowledge capture, and knowledge sharing have positive and significant coefficient equals to 0.233, 0.403 and 0.700 respectively implying that knowledge creation, knowledge capture, and knowledge sharing and profitability of family businesses in Lagos State moves in the same direction and that a 1 unit change in knowledge creation, knowledge capture, and knowledge sharing results to positive 0.233, 0.403 and 0.700 units change in profitability of family business owners in Lagos State respectively.

The t-statistic for the independent variables shows that coefficients of knowledge creation, knowledge capture, knowledge sharing, knowledge transfer, and knowledge training are statistically significant while the coefficient of knowledge application is not. From the regression analysis, the regression equation established was:

$$Y = -1.517 + 0.233KC + 0.403KCA + 0.700KS - 0.224KTRN + 0.456KAPP - 0.287KTRA$$

Where:

Y = Profitability of family business owners

KC = Knowledge creation

KCA = Knowledge capture

KS = Knowledge sharing

KTRN = Knowledge transfer

KAPP = Knowledge application

KTRA = Knowledge training

The regression equation above ascertains that knowledge management practices like knowledge creation, knowledge capture, knowledge sharing, knowledge transfer, and knowledge training significantly affect the profitability of family business owners in Lagos State. As regards the relative contribution of each of the independent variables to the family business continuity of owners, the standardized coefficients (beta weights) of the independent variables indicates that Knowledge Sharing made the highest contribution (beta weight = 0.684 or 68.4%). This is followed by Knowledge Capture (beta weight = 0.319 or 31.9%), Knowledge Creation (beta weight = 0.261 or 26.1%), Knowledge Transfer (beta weight = -0.199 or 19.9%), Knowledge Training (beta weight = -0.272 or 27.2%), and Knowledge Application (beta weight = 0.092 or 9.2%).

## VI. Discussion

The objective of this paper sought to ascertain the effect of knowledge management practices on profitability of family businesses in Lagos state Nigeria. The finding reveals that knowledge management practices significantly affect the profitability of family business owners in Lagos State, Nigeria. This finding is consistent with Adediran, Josiah, Bosun-Fakunle & Imuzeze, (2012) who found a good financial management system helps the owner to be a better micro-entrepreneur by enabling them to avoid investing too much money in fixed assets, maintain short-term working capital needs to support accounts receivable and inventory more efficiently, set sales goals; they need to be growth-oriented, not just an "order taker." improve gross profit margin by pricing their services more effectively or by reducing supplier prices, direct labor, etc, that affect cost of goods sold.

The findings also concur with the findings in a study Senaji and Nyaboga (2011) who studied knowledge management process capability: operations strategy perspective in Kenya and found that there is a positive relationship between knowledge management practices and profitability of family-owned businesses in Kenya. They concluded that knowledge management process operations positively impact performance. Similarly, the findings of this paper agreed with the findings of Alias, Mansor, Rahman, Ahmad, and Samsudin, (2018); Gholami, Asli, Shirkouhi, and Noruzy (2013) that knowledge acquisition, knowledge storage, knowledge creation, knowledge sharing, and knowledge implementation have significant on performance of SMEs.

Findings from this paper and extant literature show that knowledge management practices can affect profitability. Hence, management of family owned businesses should undertake in-house training on knowledge management among management and staff, entrench good practices of knowledge management in organizations to strengthen information sharing among staffs and employees.

## VII. Conclusion and Recommendations

Following the data analysis and findings of this paper, it can be concluded that knowledge management practices(knowledge creation, knowledge capture, knowledge sharing, knowledge transfer, knowledge application and knowledge training) influence is pertinent to enhance family business profitability. Furthermore, knowledge management practices remain fundamental factor for family business profitability and continuity. Knowledge resources determine the capacity to innovate, grow and made higher profitability. It is clear from the study that family businesses needs knowledge management practices to ensure profitability and continuity of the enterprise. In order to boost organizational profitability, knowledge management should play a key role through the creation, sharing, application and retention of knowledge.

Furthermore, the paper further concluded that knowledge sharing and knowledge capturing should be encouraged by experienced workers to share their knowledge to new or less experienced workers. Since



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innovation is adjudged as the result of knowledge dissemination and application it is therefore necessary to introduce knowledge management principles and practices in family businesses to create radical or incremental innovations. Based on the findings, this current study proposes some recommendations for action by the family business owners in Lagos State. For better employees' performance and profitability in family business, and for family business to take competitive advantage in the ever-challenging business environment, leaders and managers of family businesses in Lagos State should adopt the mentoring of their employees, through career support, knowledge transfer and psychosocial support of employees, that have strong positive effects on employees' performance in achieving the organization objectives. Knowledge sharing culture in the family businesses needs to be encouraged as a policy for staff to work together more effectively, to collaborate and to share - ultimately to make organizational knowledge highly functional and more productive.

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# A Road Map: E- Commerce to World Wide Web Growth of Business World

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*Abstract-* In this research article the researcher emphasized that significant role of E-commerce to world wide web growth of business world with respect to technology of internet, sharing business information, conducting business transaction, the emergence of the new system, better business policy, creating value of customers, proper utilization of resources and organizational infrastructure making a drastic and radical changes in business world. The incredible growth in mobile phone access shows that majority of people have adapted to mobile phone and advancement in mobile technology and its usage is not limited for making basic phone calls, but can be used almost in every sector of human activity if one has the required technological knowledge. Since the time e-commerce has evolved, the world of business has observed a drastic change in the way trade activities are conducted. With the increase in the growing competition and its complexity it is essential for today's business enterprises to work in structured manner by changing its functioning environment dynamically by integrating internal information resources to the platform of ERP systems which will assist in optimizing potential of utilizing resources efficiently and determining growth.

*Keywords:* *e-commerce, ERP, B2B, SME.*

*GJMBR-A Classification:* *JEL Code: L81*




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# A Road Map: E- Commerce to World Wide Web Growth of Business World

Dr. Bechoo Lal [α] & Dr. Chandrahauns R Chavan [σ]

*Abstract-* In this research article the researcher emphasized that significant role of E-commerce to world wide web growth of business world with respect to technology of internet, sharing business information, conducting business transaction, the emergence of the new system, better business policy, creating value of customers, proper utilization of resources and organizational infrastructure making a drastic and radical changes in business world. The incredible growth in mobile phone access shows that majority of people have adapted to mobile phone and advancement in mobile technology and its usage is not limited for making basic phone calls, but can be used almost in every sector of human activity if one has the required technological knowledge. Since the time e-commerce has evolved, the world of business has observed a drastic change in the way trade activities are conducted. With the increase in the growing competition and its complexity it is essential for today's business enterprises to work in structured manner by changing its functioning environment dynamically by integrating internal information resources to the platform of ERP systems which will assist in optimizing potential of utilizing resources efficiently and determining growth. Moreover, with the exponential growth of Internet technology and the emergence of e-business can unify the external information resources with internal functional areas within an organization which are providing a road map to handle the changing paradigm of business world.

*Keywords:* *e-commerce, ERP, B2B, SME.*

## I. Introduction

The Internet is changing and reshaping the nature of inter-authoritative commerce by giving new types of electronic exchanges. The term electronic commerce involves sharing business data, keeping up business relationships and leading business exchanges by means of telecommunication networks [1]. This involves the use of data technology to interface the capacities provided by members in this sort of commerce, rather than physical exchanges or direct physical contacts. It likewise refers to the procedures, policies and strategies required to help the consolidation of electronic interaction to the business environment. B2B (Business to Business) is a sort of e-commerce that defined as a new authoritative structure residing in computerized space and established by two or more business (as a rule between business and its providers)[2][3].

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B2B enables firms to lead and engage in online relations bypassing the intermediaries needed to effectively working together exchanges in the customary disconnected manner. The development of B2B e-commerce has been a substantially more noteworthy business movement of far higher value and will affect nearly all SMEs over the long haul. The most experienced and successful e-commerce companies are beginning to realize that key determinants of success or failure are not merely web presence or low price, yet there are numerous elements that effect on it. Some of them are environmental elements, which change the conditions equally for all companies in business space, and SME shave no effect on them; and the others are influenced by business strategy, authoritative infrastructure, technical aptitudes, and resources, etc. Since environmental elements are not under control of businesses and they are the same for all, our emphasis is on the individual features of SMEs which lead to success [3] [4].

However, e-commerce technology provides just a stage for exchanging. It is for the business how it uses the stage for creating value of customers. The success in E-commerce applications isn't the result of a linear process where advancements are easily transferred from a technology supplier to a receiver as hardware or software arrangements. Rather, it requires through understanding of complex network technology and the knowledge to skillfully analyze and manage this instrument [6] [7]. As e-commerce is quite recent phenomenon there are not really any well-established principles and practices that one can pursue to ensure success in e-commerce. The emergence of this new system of exchanging raises numerous issues regarding better business arrangement and practice that business research should plan to resolve [10].

E-commerce is an exchange conducted over the internet network, it is a major space on leading business over network additionally E-retailing is a piece of it. When it is considered on advanced or Internet enabled commercial exchanges in associations and people utilizing current web technologies as per the rules of the association. Electronic commerce includes some activities like business exchanging with different business and internal processes that companies use to help their selling, procuring, purchasing, arranging and other activities. It additionally includes purchasing, selling and enlisting a specific item or services [8] [9].



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Today, quick development of mobile telephony has provided an establishment for Mobile commerce namely E-commerce activities carried out through mobile devices like an advanced mobile phone it is called M-commerce. The term M-Commerce was initially introduced in 1997 by Kevin Duffey at the dispatch of the Global Mobile Commerce Forum. Mobile Commerce is the purchasing and selling of merchandise and ventures utilizing wireless handheld devices. It is the process of paying for services through a mobile phone or personal organizer for communicate, advise execute and entertain utilizing text and information by means of a connection to open and private networks[14]

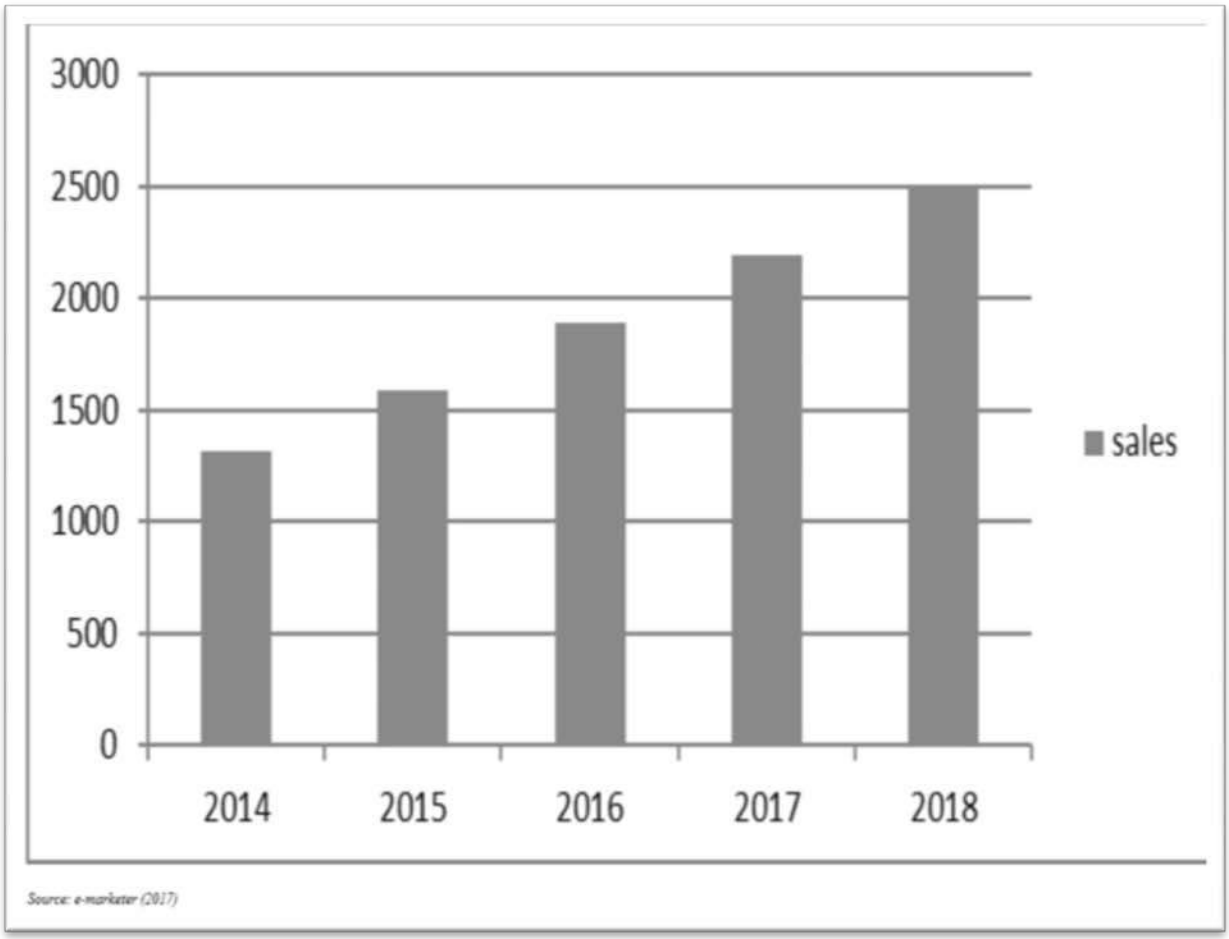



*Fig.1.1:* Worldwide E-Commerce Sales 2014-2018

## II. Related Work

Scott M.Shafera et.al. (2004) emphasized on "business models" which have surged into the management jargon. Be that as it may, while it has become quite fashionable to examine business models, there is still much disarray about what business models are and how they can be used. Truth be told, business models can serve a positive and powerful role in corporate management. [1].

Farida F. Tallud (2014) focused on how SMEs gained competitive advantage through e-business. The examination covers activities of SMEs concerning e-business, for example, obtaining inventories, supplies machines and equipment's through the internet and speaking with suppliers which enables them to create cost advantage and item differentiation that will increase their sales and thus their benefits [2].

Farida F. Tallud (2014) emphasized that SMEs who are into e-business are competitive in terms of price, item quality, and gainfulness. The type of business is altogether and positively correlated with SMEs competitive advantage in terms of item. Further examination utilizing t-test reveals that those SMEs that are into exchanging are doubtlessly increase competitive advantage in terms of item than those in the service sector [2].

Dr. B.S. Sawant (2011) stated that financial sector assumes a critical role in development of Indian economy. So banks need to alternatively leverage technology to increase penetration, improve their profitability and efficiency, deliver financially savvy items and services, provide faster, efficient and convenient customer service and thereby, contribute to the overall development and development of the nation. Technology enables increased penetration of the



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financial system, increases cost effectiveness and makes little value exchanges viable. Besides making financial items and services affordable and accessible, it's simultaneously ensures reasonability and benefit of providers. Technology enables exchanges to take place faster and offers unparalleled convenience through different delivery channels [3].

Behshid Behkamal et.al.,(2006) proposed a comprehensive investigation of effective factors on success of B2B electronic commerce that are under control of SMEs themselves These variables include individual features of companies and environment have no influence on them. In this paper basic components are divided into four primary gatherings; business infrastructure, HR, client interface and technical infrastructure. Additionally in our methodology, factors were viewed from SMEs viewpoints [4].

Vinamra Nayak, Nitin Jain(2012) emphasized on developing economy like India Micro, Small and Medium Enterprises (MSMEs) assume a very significant role as they are the engines of development in development, upliftment, and progress of economy to the next level. The MSME's in India have played a basic role in generation of employment, giving merchandise and ventures at affordable expenses by offering innovative arrangements in very unstructured and unorganized manner. Use of e-commerce arrangements will help enterprises to expand their business through broader item exposure, better customer service, accurate order entry processes and faster item fulfillment [5].

Sokolov Mladenović, S., and Ćuzović, Đorđe. (2016). Focused on Tourism that belongs to the gathering of data intensive sectors and the development of data correspondence technologies altogether changed its structure. The development of e-commerce has influenced its implementation in the travel industry where it is observed like an instrument for improving the efficiency of business activities. However [6].

Arafat Atwi Awajan et.al., (2018) presented the survey conducted to evaluate the e-business readiness of little and medium enterprises in Jordan examining the e-business readiness of these associations by exploring three levels of investigation: the status of the ICT infrastructure, a general assessment of ICT competencies in businesses, an examination of needs for preparing and an evaluation of the development of the market and the surrounded environment. The results demonstrate that the ICT, for the most part used for administrative and commercial purposes, is considered as an investment. Its budget is allocated more often than not towards updating, creating new services and maintenance [7].

Niranjanamurthy M, ,Dr. Dharmendra Chadha(2012) emphasized that the increase of the demand, flexibility and power of wireless deals provides proper opportunities for ascending services to customers. Indeed, this could mean the real services giving in all times. In the current Business associations, mobile commerce or M-Commerce has been entered in finance, services, retails, and telecommunication and data technology services. In these sectors, M-Commerce isn't just being widely accepted yet additionally it is being more used as a prominent method for business/commerce. In this paper we attempt to provide an overview of the fundamentals about m-commerce and e commerce. [8].

Lipsa Sadath (2013) emphasized that information is considered as an essential type of data that needs collection, management, mining and interpretation to create knowledge. Modern e-commerce is likewise enthusiastically developing that makes resources and services on the internet lavishly bright. One of oldest things that e-commerce can do is customer relationship management (CRM). Businesses targeting customers has a direct connect with the economy of a nation as the current e-commerce system is used by people from layman to business tycoons [9].

Dr. Singh Sohan, Prof. (Dr.) Sharma R. K.(2010).stated that internet has brought to the universe of business e-commerce. E-commerce refers to use of computer networks for purchasing and selling merchandise, data and services. It integrates E-Mail, Electronic Fund Transfer (EFT), Electronic Data Interchange (EDI) and comparative techniques into a comprehensive electronic system of exchanging. E-commerce combines IT, Telecommunication technology and business process to make it feasible to work together in manners that couldn't be even idea of earlier. It opens up new avenues of exchanging and improves efficiency and effectiveness of conventional business processes, markets and services [10].

Sameeah Alvi (2016) focused on M-commerce is the subsequent generation of e-commerce which facilitates the user to access internet without requiring a place for module. Today, mobile isn't merely used for sending messages or for calling however it serves a wide variety of other purposes that are beneficial in corporate world. M-commerce helps in improving relationship with customers. It is an area that is still under development phase and offers potential prospects for further research and applications. Since the subject is at the stage of progress, this research help explore how and why m-commerce is increasing consistent prevalence and assuming control over e-commerce and initiates further research on the reasons of development of m-commerce expertise. Earlier studies suggest that e-commerce and m-commerce are not just leading edge for doing worldwide business and trade yet in addition offers multiple benefits to the business, government and consumers on generous scale. [11].

María de la Soledad Zapata Agüera (2009) focused on utilizing computerized channels that enables



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you to transcend customary requirements such a geography and time zones to connect with an a lot wider audience. For this creator, e-marketing is significant because the market is worldwide and wider, and it is necessary to be able to reach a segment with precision utilizing the computerized marketing that gives us this choice [12].

Vera Pujani, Refdinal Nazir (2019) emphasized those E-commerce applications that play in different stages of the environmental effect especially energy utilizations. The internet technology and electronic commerce (e-commerce) which drastically changed the trend of data system (IS) applications in business to be internetworked e-business will be reviewed. The commitment of e-commerce on business has been identified as one of success variables to pick up companies targets. In line with data technology development, e-commerce is likewise more used by business associations around the globe. The use of e-commerce has the effect on environmental effects in terms of energy utilizations [13].

Amol Kale, Rajivkumar Mente (2018) identifies the services and utilizations of M-commerce. In Mobile Commerce purchasing and selling of merchandise and ventures utilizing mobiles which are wireless handled device. Mobile commerce is the next generation of E-commerce which enable costumer to access internet from anywhere. Current days, mobile are not use just for sending test message or calling however it likewise used for other facilities, for example, web perusing. This network technology used in M-commerce based on wireless application convention. It helps in improving relationship with customer [14].

Dr. Shahid Amin Bhat(2016) stated that E-commerce is a blast in the modern business. E-commerce means electronic commerce. E-commerce (Electronic commerce) involves purchasing and selling of merchandise and enterprises, or the transmitting of assets or information, over an electronic network, predominantly the Internet. E-commerce (Electronic commerce) is a change in outlook influencing the two marketers and the customers. Rather e-commerce is more than simply one more approach to support the existing business practices [15].

Dr Kishore Kumar Das(2015) emphasized that factors that are fuelling development in E-Commerce sector in India. The methodology of my examination is from secondary sources, for example, articles, diaries, reports, papers, sites and conference proceeding. E - Commerce one of the highest developing business, with India having great market potential for investments. There has been huge surge in investment since a year ago and more is expected in coming years. The fast development being used of mobile and internet users has facilitated E-Commerce business in both urban and country cities [16].

Rajneesh Shahjee (2019) investigation of the effect of Electronic Commerce on Business. The research study has highlighted the Management Information Systems, Finance and Accounting, Marketing and Computer Sciences of E-Commerce on Business. E-commerce is a method for leading business over the Internet. In spite of the fact that it is a relatively new concept, it can possibly alter the conventional type of economic activities. [17].

Dr. Rajasekar S. also, Sweta Agarwal (2016) stated that E-commerce involves an online exchange. E-commerce provides multiple benefits to the consumers in type of accessibility of merchandise at lower cost, wider choice and saves time. The general category of E-Commerce can be broken down into two sections: E-Merchandise and E-finance. Numerous companies, associations, and communities in India are working together utilizing E-commerce and furthermore are receiving M-commerce for working together [18]. Rhitabrata Kumar, Dr. Asha Nagendra (2019) focused on the change in digitalization in the most recent decade and this has given a rise to fresh business opportunities by evolving business models. The investigation was conducted by collection of secondary information from different sources and with the help of a questionnaire circulated among 56 respondents crosswise over India. The examination encompasses the views and preferences of consumers which covered respondents belonging to different pieces of India with all foundation and age grouped into different professions and income groups [19].

Anuj et.al.,(2018) emphasized that the importance of E-Commerce in Indian economy. As we all realize India is among the fastest developing economy of the world , along these lines it is very much imperative to have government intervention and huge investment inflow in type of foreign direct investment in large economy like India to stabilize and increase the development of E-Commerce industry in the economy. In this paper the researcher will look towards the role of government in E-Commerce industry and furthermore look towards the different barriers of e commerce in Indian aspects. “In this research paper the researcher discussed for the most part about B2C E-Commerce and its percentage of total national output in Indian economy [20].

Shahriari et.al.,(2015) emphasized that Many economists and experts believe that in recent years, a revolution has occurred like the mechanical revolution which the world has entered the data age. It makes large changes in the economic, social and social aspects. One aspect of this change is changes in economic relations between people, companies and governments. Commercial exchange between people who had been based on paper documents to exchanges of by us the systems based on electronic



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data. In this article we will examine the benefits of e-commerce and its effect on the market [21].

Rajendra Madhukar Sarode (2019) emphasized that E-commerce is definitely one of the business alternatives that one should explore in the future. E-Commerce is said to achieve change in perspective on the planet for exchanging. Prediction e-commerce is indicating tremendous business development in our nation. Backed by increased online user base and mobile phone presentation, Indian e-commerce has seen impressive development over the most recent couple of years. Considering India's demographic dividend and rising internet accessibility, the sector is slated to scale greater heights. In spite of the fact that, India's overall retail opportunity is significant, the sector is beset with some serious challenges [22].

Madhurima Khosla, Harish Kumar (2017) stated that E-commerce is one of the fastest developing segments in the Indian Economy. Despite the fact that marked by hig development rate, the Indian e-commerce industry has been behind its counterparts in many developed and emerging economies, basically due to a relatively low internet user base. In an investigation conducted by worldwide management consultancy firm AT Kearney in 2015, there were just 39 million online buyers in India; a modest part of the 1.2 billion who live in the nation. However, increased technological proliferation combined with internet and mobile penetration, presents a favorable eco-system for the development of e-commerce in India. The nation is currently at the cusp of an advanced revolution. The demographic dividend of the nation likewise seems to encourage and support the development of E-Commerce. The survival of the e-commerce firms in a profoundly unique environment becomes a challenging errand when coupled with the relentless competition prevailing in the sector [23].

Niranjanamurthy M, ,Dr. Dharmendra Chahar(2012) emphasized that on business managers, especially those without IT foundation, to understand the key elements and fundamental issues of m-commerce and to assess the effect of m-commerce on current and future businesses just as to identify new business prospects. In this paper we view M-Commerce as movement of channeling E-commerce exchanges utilizing mobile terminals over a wireless network[8]. Vera Pujani, Refdinal Nazir (2019) emphasized the variety activities in cyber market, the two customers and merchandises specifically to conveyances and supply chains may decrease fuel utilizations, emissions and deals. Meanwhile, e-commerce additionally has a commitment on electricity utilizations partner to supporting technology of ecommerce operations. The objective of this investigation is to review variety of earlier studies related to ecommerce sway on energy utilizations including emission's generations and electricity demand. Utilizing the literature survey of related studies, this paper presents the theoretical framework of energy utilization of e-commerce effects[13].

## III. Problem Statement and Research Objectives

The researcher stated some of the significant research issues of E- Commerce technology in growth of business world with the help of internet technology. The researcher discussed the attributes of E-Commerce and its significant usage in growth of business world which are stated as:

1. To analysis the current attributes of E- Commerce and its significant usage in growth of business world.
2. To study how the internet technology are changing the new paradigm of business world.

The purpose of this research is to understand how E-Commerce as a sector boomed and brought a change in the preferences of the consumer thus touching each of their lives. E-Commerce has lived up to expectations by not only providing quality service but through various other deals and offers sufficient to attract consumers. Consumer behavior changes from time to time and E-Commerce fulfilled the necessities. A massive internet penetration has added to development of E-commerce and more especially new businesses have been increasingly utilizing this alternative as a differentiating business model. Moreover E-Commerce has critical influences on the environment. In spite of the fact that the model is profoundly used in current business scenario yet the choice has not been explored at it's fullest.

The current research has been undertaken to describe the scenario of E-Commerce, analyze the trends of E-Commerce. Meanwhile, e-commerce additionally has a commitment on electricity utilizations partner to supporting technology of ecommerce operations. The objective of this investigation is to review variety of earlier studies related to ecommerce sway on energy utilizations including emission's generations and electricity demand. Utilizing the literature survey of related studies, this paper presents the theoretical framework of energy utilization of e-commerce effects.



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## IV. Framework of the Research Study




*Fig.1.2:* Framework of the E-Commerce and Business World Wide Growth

In this research article the researcher emphasized that E-commerce allows customers to overcome geographical barriers and allows them to purchase products anytime and from anywhere. Online and traditional markets have different strategies for conducting business. Traditional retailers offer fewer assortments of products because of shelf space where, online retailers often hold no inventory but send customer orders directly to the manufacture. The pricing strategies are also different for traditional and online retailers. Traditional retailers base their prices on store traffic and the cost to keep inventory. Online retailers base prices on the speed of delivery.

## V. Research Design and Methodology

The researcher also focused on the critical review of the current research study of E- Commerce and its significant usage of business worldwide growth. The research study is based on secondary data which are collected from the different research portal, contents of book, and thesis. The researcher stated that a critical review study is the summarization and evaluation of the ideas and information in an article. Reviewing critically means thinking carefully and clearly and taking into consideration both the strengths and weaknesses in the material under review. The researcher represented an analysis report of E- Commerce and statistics of World Wide Web growth of business world in current scenario.

## VI. Analysis Report and Discussion

*Table1.1:* Source: Statista-Statistics of E- Commerce in Business World Wide Growth

| Retail E-commerce Sales by World wide Web from 2014 to 2021 (in billion U.S. dollars) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Year | Retails E- Commerce Sales by World Wide Web in Billion U.S. Dollars | | | | | | |
| | 2014 | 1336 | | | | | | |
| | 2015 | 1548 | | | | | | |
| | 2016 | 1845 | | | | | | |
| | 2017 | 2304 | | | | | | |
| | 2018 | 2842 | | | | | | |
| | 2019 | 3453 | | | | | | |
| | 2020* | 4135 | | | | | | |
| | 2021* | 4878 | | | | | | |



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*Fig 1.2:* Source: Statista-Statistics of E- Commerce in Business World Wide Growth

This statistic gives data on retail e-commerce sales worldwide from 2014 to 2021. In 2017, retail e-commerce sales worldwide amounted to 2.3 trillion US dollars and e-retail revenues are projected to develop to 4.88 trillion US dollars in 2021. Online shopping is one of the most mainstream online activities worldwide yet the usage varies by region - in 2016, an estimated 19 percent of all retail sales in China occurred through internet however in Japan the share was just 6.7 percent. Desktop PCs are as yet the most mainstream device for submitting online shopping requests however mobile devices, especially PDAs, are making up for lost time.

## VII. E- Commerce to World Wide Web Growth of Business World

Statista, in 2017, an estimated 1.66 billion people worldwide purchased products online; notwithstanding that amazing measurement, worldwide 'e-retail sales' were estimated to have reached $2.3 trillion (US). That number is predicted to practically double by 2021, hitting approximately $4.48 trillion (US). While domestically, E-Commerce is developing at a fast pace, there continues to be a divergence between the levels of online sales in different regions worldwide. Statista found that while e-retail sales accounted for 12.1 percent of all retail sales in the Asia Pacific region in 2016, E-Commerce represented just 1.8 percent of retail sales in the Middle East and Africa during that same period.

There were additionally considerable variances based on item category, in the average online shopping and purchase intention rates among E-Commerce shoppers. For example: Statista found that 53 percent of online shoppers had purchased books or music online over the previous year, while just five percent of shoppers purchased work of art online. Regardless Of the Product, There Are Many Challenges Facing E-Commerce Businesses in 2019. Unlike their customary predecessors, practically all corners of the world are-literally-potential customers for E-Commerce merchants' items or services.

However, those same online market advantages proffered by the Internet for merchants (i.e. relatively low start-up costs, flexibility, worldwide reach) mean that the number of E-Commerce merchants-and competitors-additionally continues to significantly increase. It's estimated that there are approximately 1.3 million E-Commerce companies in North America, and up to 3 million E-Commerce businesses worldwide, excluding China. So while the worldwide populace is estimated to be about 7.5 billion, as any E-Commerce businessperson knows very well, the level of competition for E-Commerce customers has likewise never been higher. As indicated by numerous industry experts, there are at any rate four dimensions to the challenges confronting E-Commerce in the present crowded online marketplace. The real challenges of E-Commerce include:

1. *Economic Challenges:* The economic challenges confronting E-Commerce merchants include the costs related to establishing an E-Commerce business, the number of competing online merchants, issues connected with infrastructure upgrades, and the accessibility (or shortage) of skilled staff. Researchers call attention to that it's estimated up to 90 percent of Internet have computers reside in high-income countries that are home to just 16 percent of the total populace.



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2. *Technological Challenges:* As indicated by industry investigators, the essential technology-related challenges confronting E-Commerce businesses include security concerns, transfer speed accessibility, and integration with existing conventions. One of the realities of the explosive prevalence of E-Commerce is that it has likewise become a more attractive target for hoodlums; put just, more overall E-Commerce action additionally means greater security concerns.

   What's more, with each new prominent 'hacking' incident, consumer confidence in online retailing takes a 'hit' and further raises the importance of E-Commerce security. Moreover, another challenge resulting from increased E-Commerce movement is developing concern about the reliability of network infrastructure. Integrating Internet software with preexisting applications and databases presents another technology-related challenge; E-Commerce technology constantly evolves, and integrating that new technology isn't constantly an easy-or inexpensive-task.

3. *Social Challenges:* In recent years, consumers' concern over issues, for example, protection, and sharing personal data has developed exponentially. Furthermore, there are social differences that come into play when growing an E-Commerce business beyond its native region. Unlike conventional merchants who were easily able to use language and marketing methods that played well with their target audience, online sellers have to take into consideration the way that there are numerous semantic, social and social differences in their extended customer base. Any of those differences can possibly create hindrances for E-Commerce companies in their efforts to develop long haul 'relationships' with an expansive customer base.

4. *Legal Challenges:* In spite of the fact that it might seem just as E-Commerce has been in existence for a very prolonged stretch of time, the reality is that it remains a relatively new industry with numerous unresolved legal issues, including those pertaining to intellectual property rights. Then there are legal issues pertaining to tax assessment: as noted in our previous sites-and covered extensively in business media in recent months-the recent Supreme Court decision enabling states to impose online sales taxes on businesses that are not physically located inside their boundaries can possibly drastically affect the reality of E-Commerce companies nationwide. One of the prime drivers of that decision-and states' desire to charge E-Commerce-has been the business' phenomenal success; one of the 'drawbacks' to increased market share, is that E-Commerce companies have become a more desirable.

## VIII. The Road Ahead: Growth Opportunities Tempered by Increasing Challenges Facing E-commerce

A recent investigation of the E-Commerce space by Shopify identified several trends that will likely help to shape the future of online sales. Some of the most critical E-Commerce trends forming its future include: Online to Offline Growth: Despite explosive development in recent years, E-Commerce still represents just about 11.9 percent of retail sales, in spite of the fact that that is up from just 3.5 percent a decade prior. As a result, "online to offline" commerce is a trend to watch, as merchants strive to provide "shoppers with a computerized experience that can coordinate a distinctive in-store feel." Multi-Channel E-Commerce: Mobile customers are expected to represent $319 billion in sales by 2020, and "multi-channel" sales, giving customers the capacity to easily purchase merchandise through a variety of avenues, will become ever-more significant in the years ahead; going ahead, successful online merchants should have an infrastructure that manages and keeps up multi-channel retailing.

*E-Commerce Mechanization:* As technology continues to evolve, so too do the operational needs of online merchants. Notwithstanding fulfillment robotization in the warehouse, ensuring that a business' website is completely fully informed regarding the latest technology, requiring insignificant human involvement regularly, will be crucial to continued success for E-Commerce companies. Ensuring that a business' website is completely fully informed regarding the latest technology, requiring insignificant human involvement once a day, will be fundamental to continued success for E-Commerce companies.

Mobile E-Commerce's Growing Popularity: According to information from Adobe, in 2017 on both Black Friday and Cyber Monday of that year, 30 percent of online sales closed through mobile devices. In spite of the fact that desktop is still unquestionably more well known for making E-Commerce purchases, mobile is developing in notoriety and should never again be seen as only a method of enabling online customers to 'browse'. Opportunities in International E-Commerce: An investigation by McKinsey suggests that E-Commerce merchants might need to move their sights to the Asia Pacific region, when seeking out international sales opportunities. The examination found that 1.4 billion people will join the worldwide 'middle class' by 2020, with 85 percent of that development in the Asia Pacific region. Establishing neighborhood partnerships, acquainting oneself with regional laws and traditions, and ensuring solid, effective marketing will all be key elements to consider as E-Commerce companies consider expanding into the worldwide E-Commerce market. Despite the fact that we are still less than two



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decades into the new century, numerous E-Commerce merchants are already confronting the challenges of 'developing torments-moving beyond their start-up phase, and attempting to optimize the opportunities that come with development and business development. Exploring the uncharted waters of E-Commerce 'development' will require an abundance of business aptitudes, acumen and the capacity to remain flexible enough to adjust to an ever-evolving-and developing-business sector.

## IX. Conclusion

In this research paper the researcher focused on current trends of E- Commerce and World Wide Web growth of business world. The researcher stated that operational needs of online merchants. In addition to fulfillment automation in the warehouse, ensuring that a business' website is fully up-to-date with the latest technology, requiring minimal human involvement on a daily basis, will be vital to continued success for E-Commerce companies. This significant change in business model is witnessing a tremendous growth around the globe is not an exception. A massive internet penetration has added to growth of E-commerce and more particularly start-ups have been increasingly using this option as a differentiating business model. Moreover E-Commerce has significant influences on the business environment at worldwide business growth. Increasing internet users have added to its development. Despite being the second largest user base in world (650 million, 48% of populace), the penetration of e-commerce is low compared to markets like the United States (266 M, 84%), or France (54 M, 81%), however is developing at an unprecedented rate, including around 6 million new entrants every month. The business consensus is that development is at an inflection point.

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# Boosting Employee Performance; Impact of Working Environment on Employees Performance: Case study on Ethio-Telecom at Ambo Branch

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*Abstract-* The work environment which encompasses several factors impacts on the way the employees perform their work. Comfortable and all inclusive working environment will boost the employees' performance hence boosting the organizational performance. The objective of the study was to investigate the effect of working environment on employee performance in the Etho-Telecom in Ambo branch. The target population was all the employees at Etho-Telecom. The total number was 102 and the study was included all the employees by using census study. Descriptive research design was adopted for the study. The study used primary data which was collected by used of semi structured and structured questionnaire. The findings of the study concluded that work environmental factors that influenced employee performance were organizational work environment factors, workplace relationship and organization cultural factors The study found out that employees' performance was positively influenced by several work environment factors.

*Keywords:* *working environment, employee performance, working condition.*

*GJMBR-A Classification:* *JEL Code: J54*

BOOSTINGEMPLOYEEPERFORMANCEIMPACTOFWORKINGENVIRONMENTONEMPLOYEESPERFORMANCECASESTUDYONETHIOTELECOMATAMBOBRANCH

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*Keywords: working environment, employee performance, working condition.*

## I. Introdution

Working environment has impact on employees' performance either negative or the positive outcomes (Chandrasekar 2011). In the world, there are international organizations who debate the rights of employees. The workplace environment also impact on employee's motivational level and their quality of performance (Health, 2006). When employees have the desire, physically and emotionally to work, then their performance shall be increased (Boles et al., 2004). They also states that Having proper workplace environment also helps in reducing the number of absenteeism and increase the performance in today`s competitive and dynamic business world. The workplace environment that is a set in place impact employee morale, productivity and engagement both negatively and positively (Chandrasekar, 2011). Better outcomes and increased productivity is assumed to be the result of better workplace environment. Better physical environment of office will boosts the employees and ultimately improve their productivity. The factors of work environment has changed due to the changes in several factors such as the social environment, information technology and the flexible ways of organizing work processes (Hasun & Makhbul, 2005). When employees' are physically and emotionally fit will have the desire to work and their performance outcomes shall be increased. Moreover, a proper workplace environment helps in reducing the number of absenteeism and thus can increase the employees' performance which leads to increased productivity at the workplace (Boles et al.2004). According to Tripathi (2014) the work environment can be defined as the environment in which people work that include physical setting, job profile, culture and market condition. Each aspect is inter linked and impacts on employees overall performance and productivity. It is the quality of the employees' workplace environment that most impacts on their level of motivation subsequently performance. Work environment can be thought of simply as the environment in which people work (Briner, 2000) as such; it is a very broad category that encompasses the physical setting (e.g. heat, equipment), characteristics of the job itself (e.g. workload, task complexity). He adds that it also encompasses broader organizational features (e.g. culture, history) and even aspects of the external organizational setting (e.g. local labor market conditions, industry sector, work life balance). Employees will always be contended when they feel that their immediate environment states are in tandem with their obligations (Farh, 2012). Chandrasekar (2011)

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asserts that the type of workplace environment in which employees operate determines whether or not organizations will prosper. A better work environment boosts employees' performance.

*a) Statement of the Problem*

Employee's morale is often interrelated when it comes to productivity in the work environment (Amir, F. 2008 ). Noble (2009) states that more attention should be paid in identifying and dealing with working environment when employee have negative perception to their environment they sometimes suffer from chronic stress. Opperman (2002) stated that, working environment means those processes, systems, structures, tools or conditions in the workplace that impact favorably or unfavorably individual performance.

The working environment also includes work condition, job aid, policies, rules, culture, resources, working relationships, work location, internal and external environmental factors, all of which influence the ways that employee perform their job functions. Most of researchers like Christabella p. Bushiri(2014),Cynthia Nanzushi(2015)Christian Addaimanu (2015) in the past few years were investigated with the impacts of working environment were focusing on policies, rules, resource that hinders employee performance. But in this research researcher was focusing on filling the gap such as organizational culture, office design, and organization environmental factors, such as office space and lighting.

This was designed to examine the impact of working environment on employee's performance at the Ethio- Telecom in Ambo branch. This is the public institution which operates at the center of ambo town with about 109 employees. Employees use about 50 percent of their existence within work environments, which extremely affect their status of mind, aptitudes, and actions in addition to their performance (Sundstrom, 2002). A well designed office signals the values and objectives of the organization and the use of design in office interior communicates an organization values and identity (Cavanaugh, 2004). Office design therefore should be one of the factors in affecting employee's productivity.

*b) Objective of the study*

The general objective of this study was assessing the impact of working environment on employee's performance of Ethio -Telecom in Ambo Branch.

i. *Specific objectives*

- To examine effects of organizational work environment on employee performance in ambo town.
- To examine effects of workplace relationship towards employees' performance.
- To determine the effects of organization cultural factors on employees' performance.

*c) Significance of the Study*

It is anticipated that the findings of the study was paving way for the company to accept the variable that affects employees' working environment and their performance at the organization. Such an acceptance can be utilized to improve on the working conditions of employees. It was visualizing that the findings of this study has been enabled the organization to know how to address issues concerning the employees and its working environment and to consider office design an important factor in increasing employees' performance. The study was providing knowledge and measures to improve the working environment of employees for researcher. It will be served as a reference material for future researches in this area.

## II. Literature Review

*a) Concept of Working Environment*

Working environment is the sum of the interrelationship that exists within the employees and the environment in which the employees work. Opperman (2002) defines working environment is a composite of three major sub-environments: the technical environment, the human environment and the organizational environment. Technical environment refers to tools, equipment, technological infrastructure and other physical or technical elements. The technical environment creates elements that enable employees perform their respective responsibilities and activities. The human environment refers to peers, others with whom employees relates, team and work groups, interactional issues, the leadership and management. This environment is designed in such a way that encourages informal interaction in the work place so that the opportunity to share knowledge and exchange ideas could be enhanced. This is a basis to attain maximum productivity. Organizational environment include systems, procedures, practices, values and philosophies. Management has control over organizational environment. Measurement system where people are rewarded on quantity, hence workers will have little interest in helping those workers who are trying to improve quality. Thus, issues of organizational environment influence employee's productivity.

*b) Employee Performance*

Sinha, (2001) stated that employees' performance is depending on the willingness and also the openness of the employees itself on doing their job. He also stated that by having this willingness and openness of the employees in doing their job, it could increase the employees' productivity which also leads to the performance. By having the work or job done on track, employers could be able to monitor their employees and help them to improve their performance. Furthermore, a reward system should be implemented based on the performance of the employees. This is to



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motivate the employees in order to perform more on their task. (Franco. et al, 2002) defined performance that relies on internal motivation but presence of internal factors such as necessary skills, intellectual capacity and resources to do the job clearly have an impact. As a consequence employers are supposed to provide appropriate working conditions in order to make sure the performance of employees meet the required standards. Modern employees' motivation management methods have evolved over time. All employees that have job satisfaction are high performers in their respective workplaces. He said that if employees receive the same wage irrespective of their individual contribution to the goal, they will work less and that employees think working at a higher rate means fewer employees may be needed which discourages employees to work more (Gardner and Lambert 2003). Based on those explanations, this study indicates that the success of any organization largely depends on the motivation of its employees.

*c) Working Environment Factors*

An attractive and supportive working environment provide conditions that enable employees to perform effectively, making best use of their knowledge, skills and competences and the available resources in order to provide high-quality of organization service. Based on this study the factors are Explain bellows.

*d) Supervisor Support*

A supervisor is also known as a person with an experience leader, a person who can solve problem and also the role model at the first level of organizational management (Nijman, 2004).Therefore, as an experience leader, the supervisors had always being involved in conducting a training program. The training program that is being conducted are such as establishing the objectives, selecting the trainer, developing a lesson plans, selecting the program method and techniques that is being used, preparing the materials, scheduling the program and also conduct a training needs analysis stated that, a supervisor could be a trainer to the employees, as the trainer will assist the employees in getting their job done by guiding employees on the operational process especially when it comes to a new operational procedure. A supervisor support could lead to the employees' performance but there is a case that the supervisor had failed in supporting their employees. For example, the miscommunication between employees and the supervisor in term of delivering the information or process on the job to the employees (Harris et. al., 2000).

*e) Performance Feedback*

Performance feedback is an information exchange and conflict resolution process between the employee and supervisor. This consists of both positive feedback on what the employee is doing right as well as feedback on what requires improvement. Managers and supervisors will need to be comfortable with working with the whole range of workplace factors that influence employee performance. While the supervisor gives his/her feedback and requirements, the employee enables to give his her feedback regarding his/her requirements. Although this process is formal, it could be managed informally by gaining closer relations for two sides (Chandrasekar, 2011).

*f) Workplace Incentives*

The organization determines what motivates its employees and sets up formal and informal structures for rewarding employees behaving in the way required. Rewards may consist of a mix of internal rewards, such as challenging assignments, and external rewards, such as higher compensation and peer recognition (Chandrasekhar, 2011). Performance of professional employees is poor not only due to working environment factors but also due to lack of human resource management aspect such as recognition of employees who performs well, poor working condition, absence of performance appraisal system and poor feedback on performance outcome Therefore significant changes in promotions, compensation and benefits helps in keeping employees satisfied and in turn increases pro

*g) Organizational Workplace Factors Affecting Employee Performance*

According to Chandrasekar (2011), the most important workplace environment factors may impact on performance. A close consideration of each of these factors is also very useful in ensuring that employees apply the skills they learn during training programs once they return to their workplace.

*Goal-setting:* Employees are involved in setting meaningful goals and performance measures for their work. This can be done informally between the employee and their immediate supervisor or as part of an organization's formal performance management process (Roelofsen, P. 2002).

*Role congruity:* The role that the employee is required to perform is consistent with their expectations on joining the organization and any subsequent training.

*Defined processes:* The organization constrains the variability of how work is actually performed through documenting processes and communicating such expectations to employees.

*Mentoring/coaching:* Skilled and respected people are available to employees to help they perform better in their current role and to assist them develop further into a future role.

*Opportunity to apply:* Individual workloads and organizational systems and processes do not hinder



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employees from applying established skills or from practicing newly learned skills.

*Environmental factors:* Environmental factors such as temperature, lighting and ventilation can have a direct impact on health - for example very high temperatures can lead to heat stress and heat exhaustion.

*Physical factors:* Physical factors in the workplace such as poor layout or overcrowding can lead to common types of accident such as tripping or striking against objects (De-Croon et al, (2005).

## III. Methodology

In this study the researcher was used descriptive type of research design because it was been described the phenomena's or situations in detail through quantitative and qualitative manner. Both primary and secondary data was used as source of data.

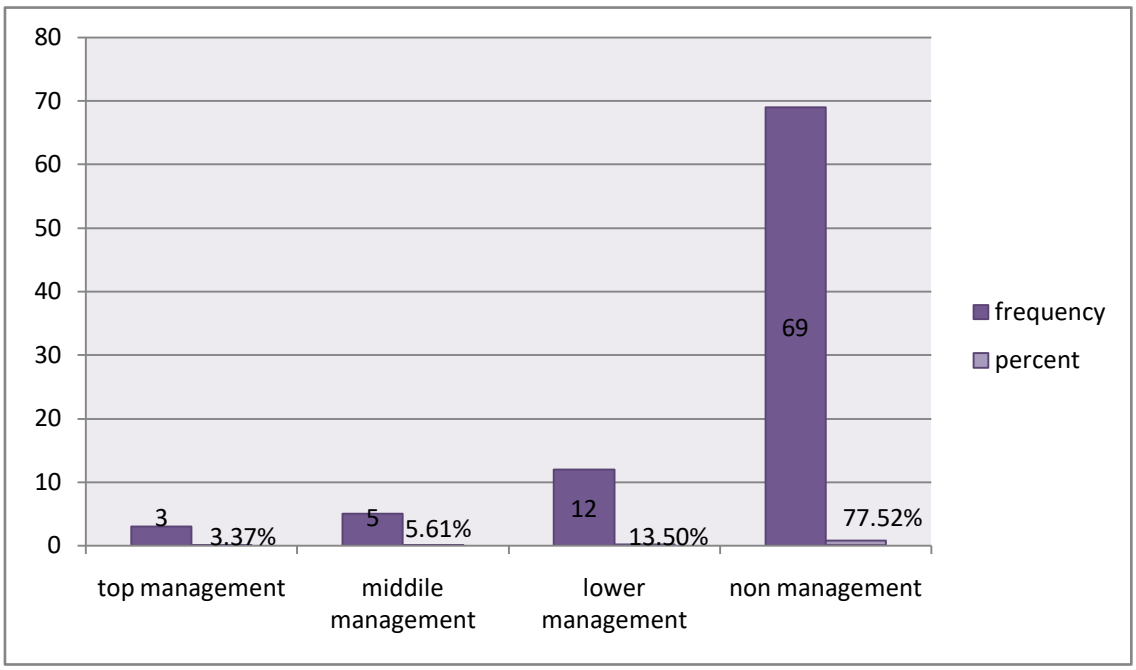
The target population of this study was all employees of Ethio-Telecom by their division such as, Human resources management, Operation management, Finance, Fleet and facility, Fixed access net work, Sales division, Legal division, and Supply chain. Data collected shows that the total number of employee in this branch's is (109) employees from the total number (78) of them are male and the remaining of (31) female. Therefore the researcher will use census study since data will be collected from all employees. According to the nature of the data collection the researcher uses both quantitative and qualitative methods for the analysis of the data presentation. The quantitative type of data is analyzes in the form of tabulation percentage, figure and the qualitative type of data analyses through employees opinion and response

## IV. Data Analysis and Discussion

In this section the study present analysis and interpretation of the data collected through questionnaires from employee.

*a) Level Employment*

The study sought to establish the level of employment of the respondents at the work environment his can help establish a relationship between the role of the respondents and performance.

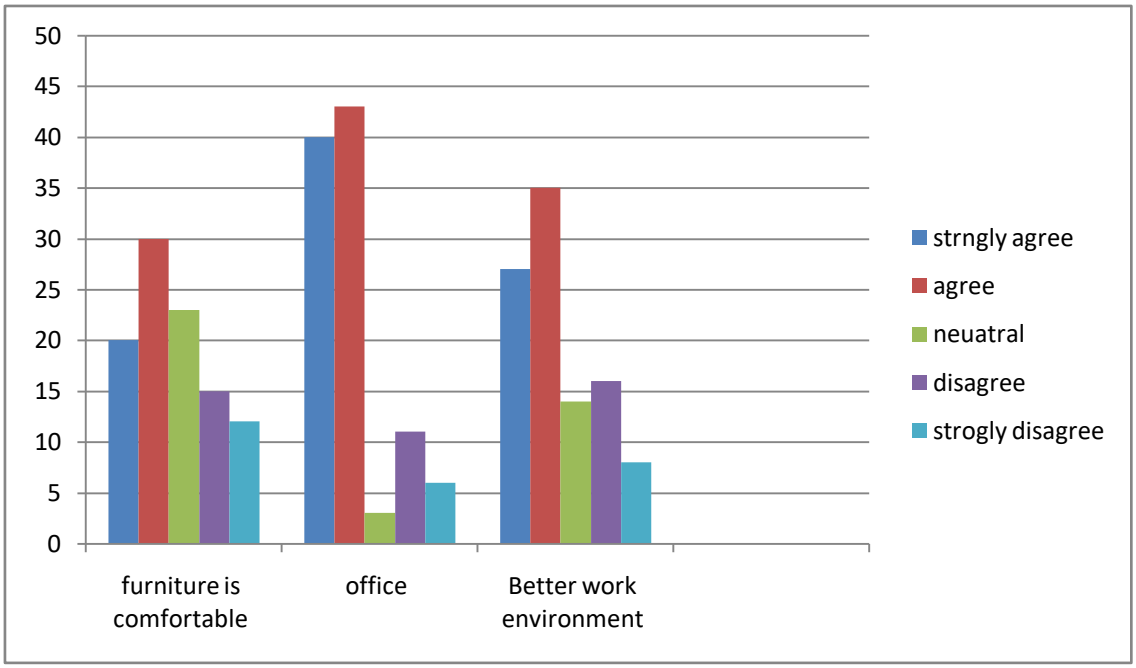



From the results in on the above graph was in top management; 5.61% in middle management and 13.5% in low level and 77.52% in non-managerial position. This is in line with the population distribution of the study which showed that majority of the population is in non-managerial position.



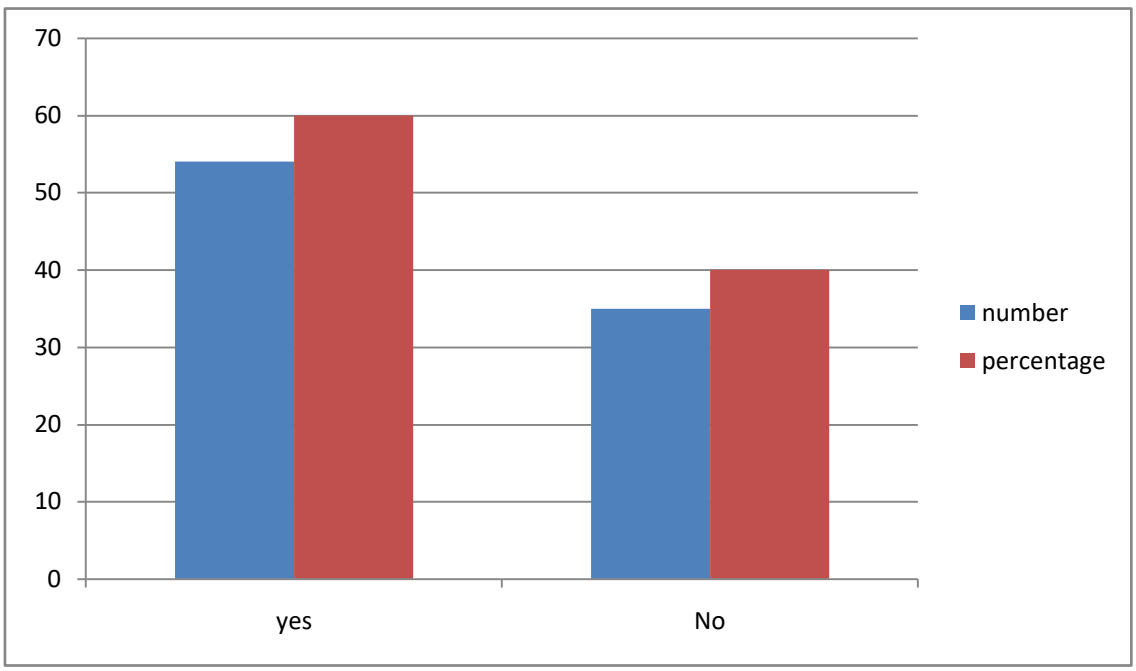
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b) *Satisfaction of Employees on Organizational Working Environment*




The results in on the above graph indicate that the respondents agreed that furniture was comfortable enough to enable them to perform their jobs 20%, agreed 30%, neutral 24%, disagree 15%, strongly disagree 11%. The study show majority of the respondents agree that a better work environment with enough space and lighting would make them better perform at their job strongly agree 26.9%, agree 34.83%, neutral 13.48%, disagree 16.85% and strongly disagree 8%.This study also shows that most of the respondent agreed to happy with their office space and arrangement, responses showed as follows, strongly agree 39.32%, agree 42.7%, neutral 2.3%, disagree 10.12%, and strongly disagree 5.7%.In all the cases it should be noted that the organization work environment can spur employees, performance.

c) *Employee's response on Organizational workplace and its relation performance*

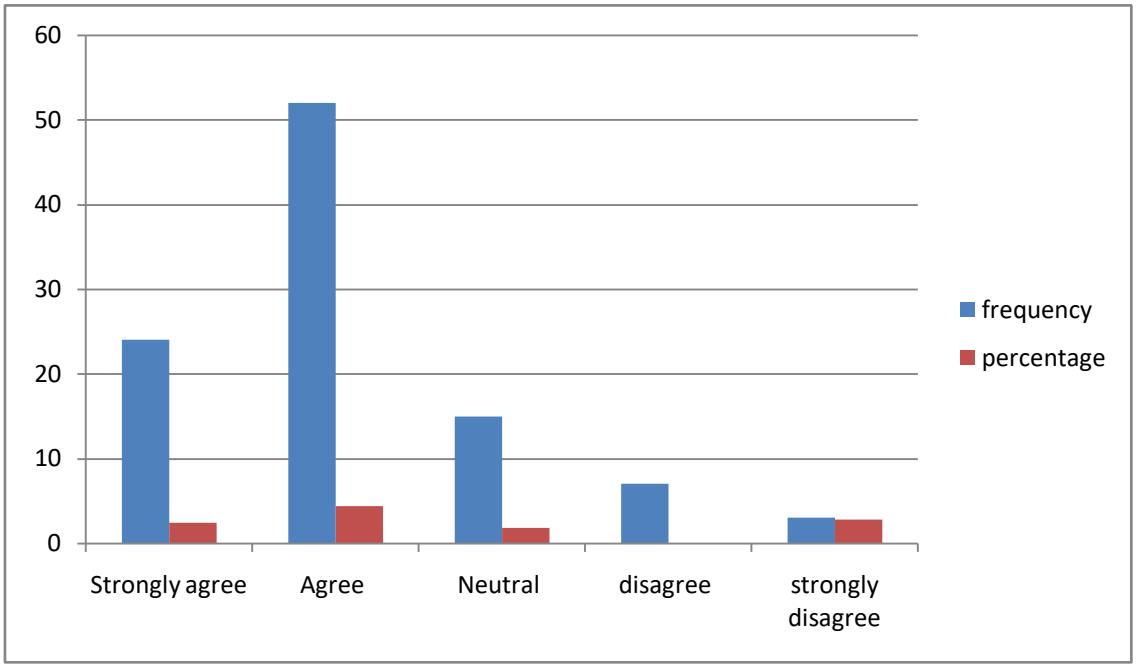





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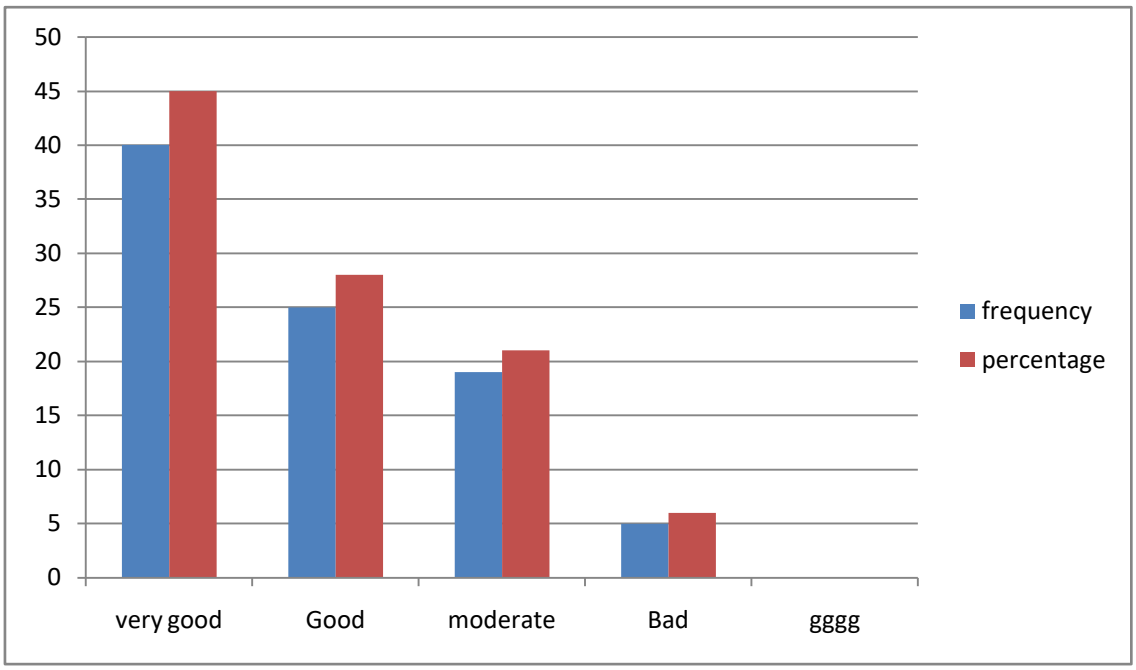
From the above graph 60.67% of the employees said to a good work relations had betters increases employee performance and 39.33% of employee said that work relation does not increases employee performance. Majority of employees agree that there exists a strong relation between working environment and motivation for them to perform. This shows that it is the responsibilities of the organization to enhance friendly working environment which will influence employees to work comfortable and perform their job.

*d) Satisfaction of Employees on Workplace Relationships*




From table above shows majority of respondent agree with 51.68% agree, 23.59% strongly agree, 14.7% neutral, 6.74%disagree and 3.3% with strongly disagree. Undisturbed work environment devoid of noise made the employees perform better at their job.

*e) Level Employee to Employee Relation*

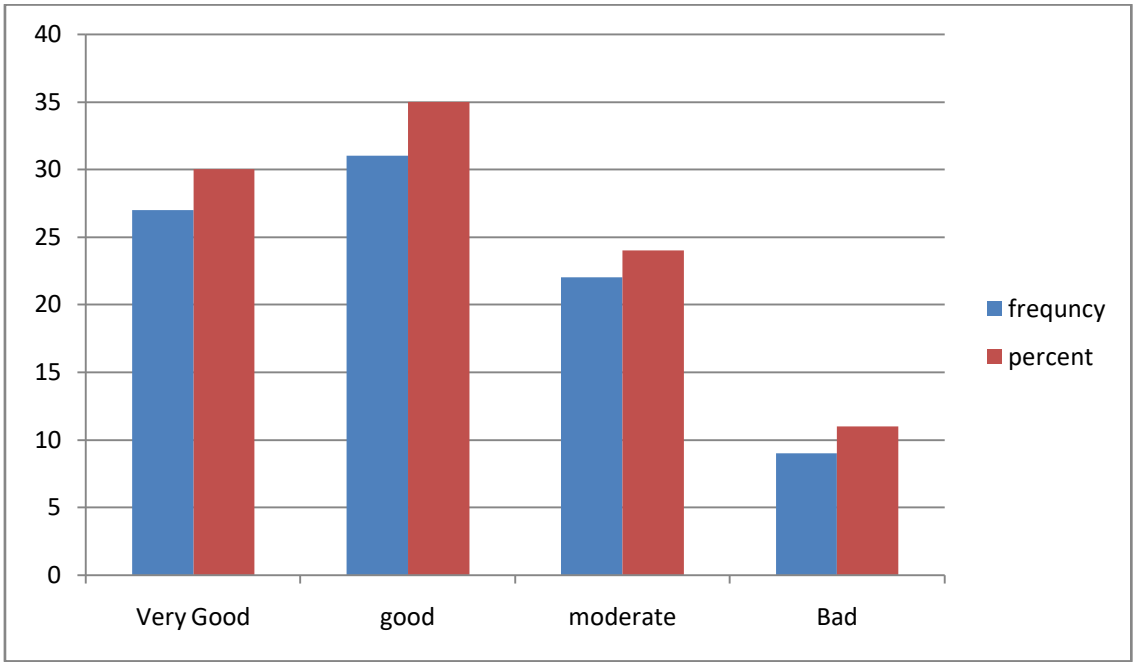





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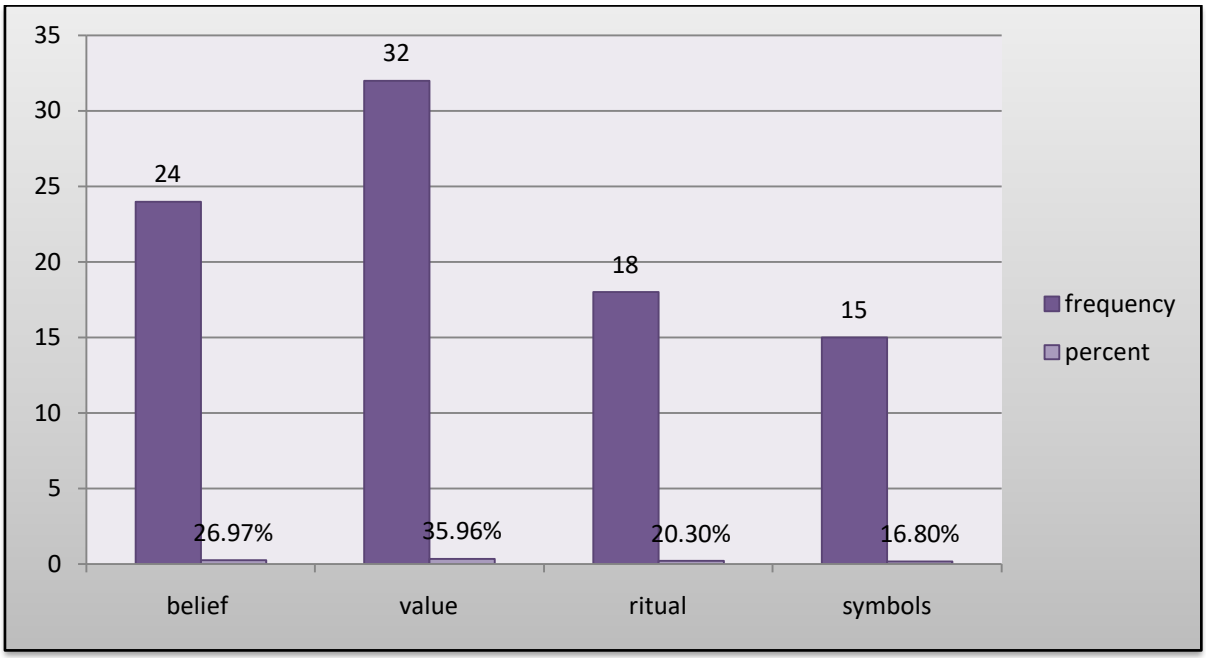
From graph 44.95% of respondent are replied that work relationship between fellow has very good. 28.08% of respondent replied that work relation with fellow were good. 21.35% of respondent were replied that moderate work relation with fellow.

*f) Level of Employee to Supervisor's Relation*




From the above graph the majority of employees who represent 34.84% describe to have good employee supervisor relation within the organization whereby 30.34% described their employee and supervisor relation in the organization as very good. 24.72% said their employee and supervisor relation the organization is moderate. The remaining 10.1%described their employee and supervisor relation in the organization as bad in their staying. Employee and supervisor relationship in the organization contributes on employee performance because it plays a vital role in attract, keep and motivate them to perform their assigned.

*g) Organizational culture dimension and its effect on performance*

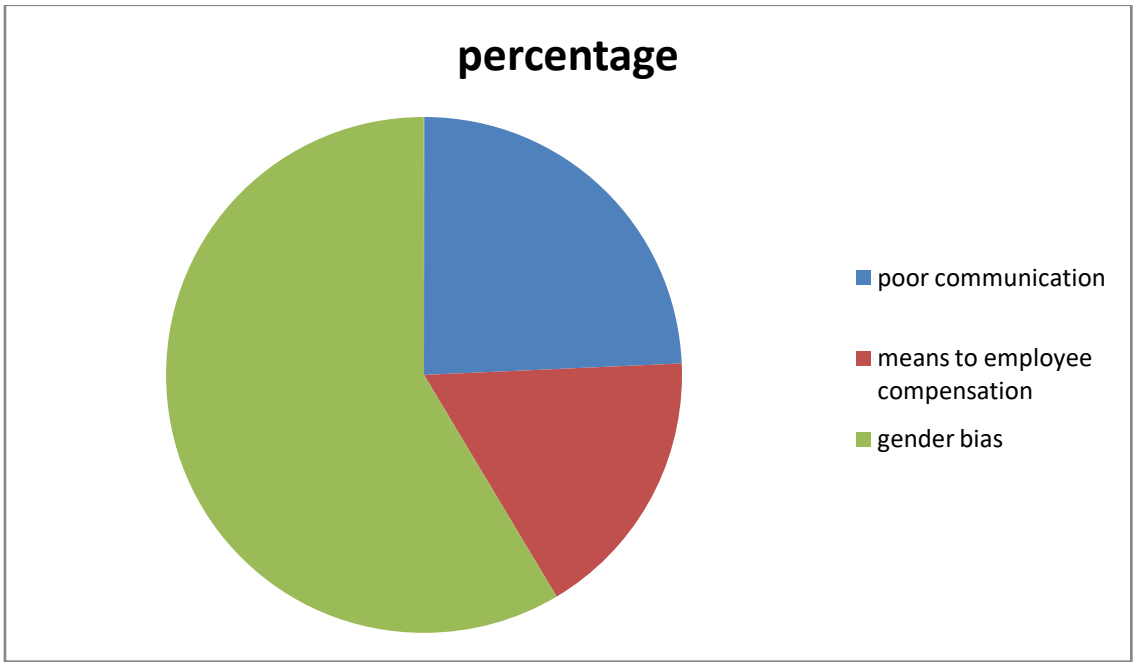




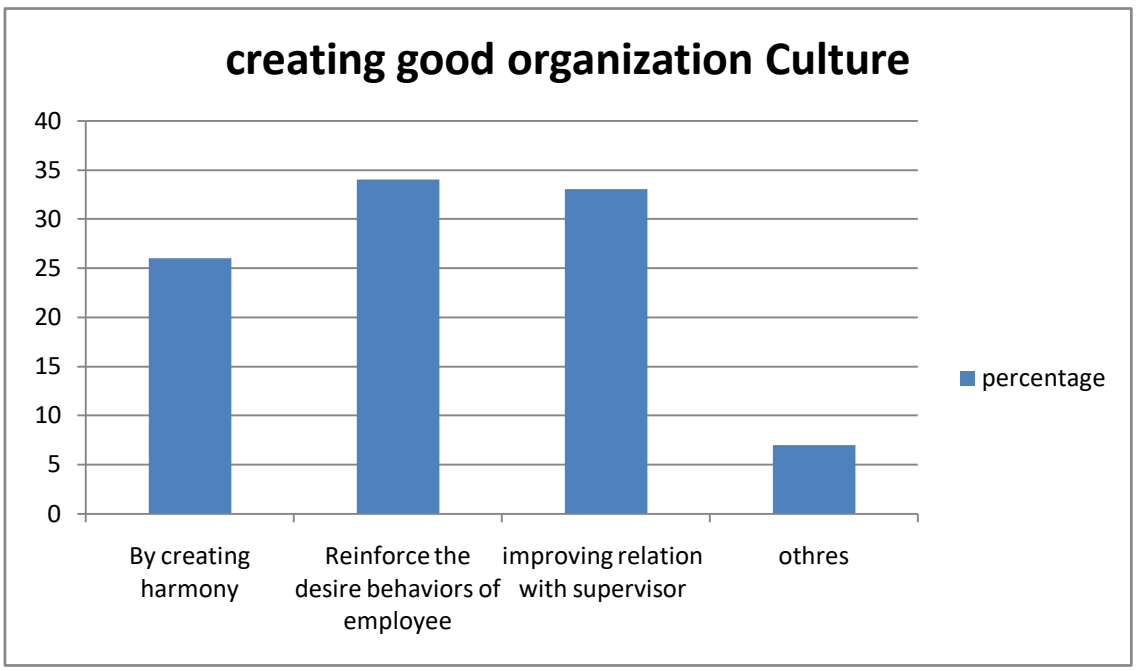

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Majority of the employees from graph 35.96% respondent replied that value of coworker in the organization affect employee performance negatively or positively. In the same way 26.975 of respondent replied belief affects employee performance and 20.3%of respondent replied that ritual affects employee performance. 16.8 % of respondent replied that symbol affect the performance of employee.

Other Cultural factor



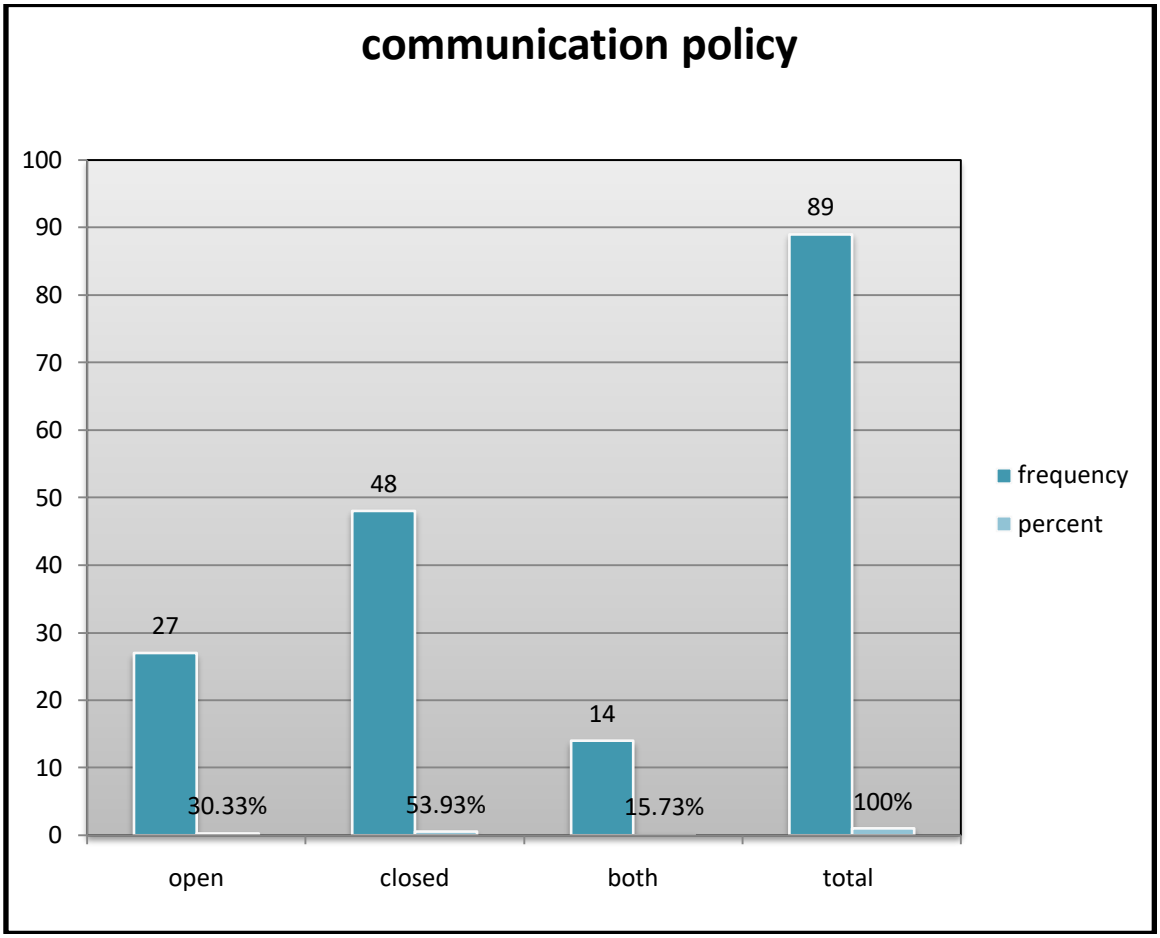

Majority of employee replied that poor communication between members of organization is one of other cultural factor affects employee performance at last(50.56%) and 35.9% of respondent replied that means of employee compensation with organization and 13.5% gender discrimination in organization is other factor affects employee performance.






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From the above graph 26% respondent replied that by creating harmony coordination of employee or worker in the organization were one of mechanism of creating good organization culture. 33.7% of respondent replied that reinforcing the desires behavior of employee create good culture in the organization.32.58% of respondent replied that good worker and supervisor relation create good organization culture and improve employee performance. 8% of respondent were there are many others factor used to increases employee performance.




From the above graph majority of the respondent replied 53.93% closed communication policy, 30. 33%closed communication policy and the remaining 15.73% both communication policy. The study showed that furniture comfort ability, undisturbed work environment devoid of noise and a spacious office with enough lighting would boost the employees' performance. Findings shows that there were exists strong relation between employees with supervisor and employee with employee for their performance. This shows that there was good relationship in the organization, which positively influences employee performance. By having a good environment, the employees could apply their energy and their full attention to perform work.

Findings on the organization cultural factors showed that organizational culture encouraged high performance. The study also revealed that poor communication in organization, no feeling exist between them, and this occasionally demoralize them as they cannot express their views. In regard with communication policy employee ware responded closed communication. This shows that closed communication policy negatively affect employee's performance.

## V. Conclusion

From the study it can be concluded that good organizational work environment contributes a lot to employees' performance at work. Positive workplace relationship would motivate employees to work harder and improve their performance. Good organizational culture can highly influence employee's performance. Therefore it is the responsibilities of managers to maintain good organizational culture, to enhance friendly working environment which was influence employees to work comfortable and perform their job well. The most important resource for an organization is the human resources who are the employees. They make sufficient contribution to an organization; therefore attention should be paid to them. Organizations can only realize their goals and objectives through its



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employees' performance. Employees will strive to perform while they feel that their immediate environment state corresponds with their obligations. The type of work environment in which they operate will determine whether they perform or not, it's through their performance that organizational performance can be realized. The workplace conditions will determine the employees' comfort to work and boost their performance. Employees' performance is deemed as a function of ability and motivation.

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# Implementation of Risk Management in IOCL Tender Driven Project – A Case Study

By Viraj Sant & Dr. D.N. Raut

*Abstract-* The paper is about understanding the current process in automation execution process and application of project management practices to it. The project is of automation of more than 6000 sites across the India for IOCL. The current model is waterfall model. After the study it is observed that there is lack of project management and project planning in the project. This affects the timeline and cost of project. The main objective is to introduce PM. Since agile practices are excellent for communication management and project controlling, the report proposes agile approach for current process. Since there are limitations for complete agile implementation, a mix approach, combining agile and waterfall can be used. Along with agile there are many other trends which can be applied to improve project efficiency. Report suggests visual project management, emotional intelligence as a tool for the project. Paper focuses on process and tools for implementation of risk management. It also checks the effectiveness of risk management plan.

*Keywords:* *project management (PM), risk management, visual project management.*

*GJMBR-A Classification:* *JEL Code: G32*



*Strictly as per the compliance and regulations of:*

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# Implementation of Risk Management in IOCL Tender Driven Project – A Case Study

Viraj Sant [α] & Dr. D.N. Raut [σ]

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## I. Introduction

ABC company provides equipment and services for forecourt management. Company provides automation solution through which all equipment on fuel station and communicate with each other and push the real time data on host. This study is about the implementation of risk management for execution project in the service field. It mostly refers on how to implement risk management process and where to implement it.

Lack of scope change management, poor communication, poor data handling, planning and prioritization of activities are the important observations of study. Since project is carried out across India and managed from several locations, stakeholder management is also important in the project. Current practices lag in terms of risk management. The purpose is to ensure that all the risks (process, system, people, external events, and financial risk) are managed effectively so that the company mission and vision are not affected and all company Key Performance Indicators (KPI) (Quality, Cost, Delivery, Accountability, and Continuous Improvement) are achieved.

Methods like training, brainstorming, checklist, survey and risk score matrix are used to determine the results. These methods are initially obtained from literature review that has been conducted in the early stage of the study. Lastly, this study also will measure the] effectiveness of the implementation of risk management process.

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*Author σ: Faculty, Production Department, VJTI Mumbai.*

## II. Literature Review

Vandersluis, Chris studied Application agile methodology to non-software enterprise projects. He said, Agile thinking was never designed to be restricted to just software development [4]. Priyam Dhani and Dr. Tanu Sharma studied HISTORY, MODELS AND MEASURES of emotional intelligence. This paper sought to review the literature on emotional by discussing the history of EI to the different theories and measures of EI. Lavanya, N. & Malarvizhi presented paper on risk management. This paper presents the structured Risk Management process followed at Nokia Siemens Networks that helps avoid crisis situations and incorporate learning from past mistakes[2] C. WU and S. H. HSIEH studied Visual Project Management based on questionnaires and industry interviews, the research in this paper prototypes a visual project management information system (VisPMIS) for effectively solving project related problems such as information and system integration among different project participants and engineering application systems.

## III. Risk Management Process

Risk management is a process of identifying risk, planning responses to those risks, and monitoring them throughout the project life cycle. On the other hand, a risk management plan is a document which documents the detailed plan to identify risks, analyze the risks, developing responses, and how to manage the responses. It describes how the risk management activities will be carried out in the project.[1]

Steps in a risk management plan are as follows:

- Plan Risk Management

Plan Risk Management is the process of defining how to conduct risk management activities for a project. The key benefit of this process is that it ensures that the degree, type, and visibility of risk management are proportionate to both risks and the importance of the project to the organization and other stakeholders. Team meeting was carried out to create this plan. Risk management plan is a component of the project



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management plan that describes how risk management activities will be structured and performed

- Identify Risks

Identify Risks is the process of identifying individual project risks as well as sources of overall project risk and documenting their characteristics. The key benefit of this process is the documentation of existing individual project risks and the sources of overall project risk. It also brings together information, so the project team can respond appropriately to identified risks.

- Analyze Risks

In order to handle the risk, its prioritization must be done. Quantitative and qualitative analysis is done for all identifies risks.

- Planning the Responses

Plan Risk Responses is the process of developing options, selecting strategies, and agreeing on actions to address overall project risk exposure, as well as to treat individual project risks. The key benefit of this process is that it identifies appropriate ways to address overall project risk and individual project risks. This process also allocates resources and inserts activities into project documents and the project management plan as needed.

- Monitor and Control the Risks

In order to maintain the established process proper monitoring of plan is required.

Tools may be used –

1) *Interview*– Discussion with expertise and understanding the current scenario through their vision is always helpful. Interview can be taken within the team or expert from outside the team.
2) *Brain storming*- It is a group creativity technique by which efforts are made to find a conclusion for a specific problem by gathering a list of ideas spontaneously contributed by its members.
3) *Root cause analysis*– Root cause analysis is an approach for identifying the underlying causes of an incident so that the most effective solutions can be identified and implemented. It's typically used when something goes badly but can also be used when something goes well. Within an organization, problem solving, incident investigation, and root cause analysis are all fundamentally connected by three basic questions:

- What's the problem?
- Why did it happen?
- What will be done to prevent it from happening again?

4) *SWOT analysis*- SWOT matrix is a strategic planning technique used to help a person or organization identify strengths, weaknesses, opportunities, and threats related to business competition or project planning. Users of a SWOT analysis often ask and answer questions to generate meaningful information for each category to make the tool useful and identify their competitive advantage. SWOT has been described as the tried-and-true tool of strategic analysis.

- *Strengths*: characteristics of the business or project that give it an advantage over others.
- *Weaknesses*: characteristics of the business that place the business or project at a disadvantage relative to others.
- *Opportunities*: elements in the environment that the business or project could exploit to its advantage.
- *Threats*: elements in the environment that could cause trouble for the business or project

## IV. Case Study

The proposed plan is implemented in the project. Few steps are changed based on project requirements are team discussion.

1. Project risk Plan

Following areas are covered and planned in project management plan.

*Risk strategy:* Identify and Prioritize the risk and attempt the highest affecting risk.

*Methodology:* A risk register will be created and maintained by the risk management team. Regular meetings will be conducted to plan and mitigate the risk.

*Roles and responsibilities:* During the planning meeting following responsibilities are defined –

1. Risk management team members – Director, Project manager, Zonal heads, Cross functional team representatives.
2. Decision making – Risk team
3. Budget approval – Director
4. Data collection – Zonal heads
5. Document maintenance and risk mitigation tracker – Project manager

*Funding:* No separate fund is needed as it is a parallel activity. If fund is needed for risk mitigation plan, it will be approved by director.

*Timing:* For this project risk register is reviewed and updated during project planning phase. It will be quarterly reviewed with management.

*Risk categories:* Provide a means for grouping individual project risks. A common way to structure risk categories is with a risk breakdown structure (RBS), which is a hierarchical representation of potential sources of risk An RBS helps the project team consider the full range of sources from which individual project risks may arise. Pl



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*Table 1:* Risk categories

| Risk Category | Extended categories |
|---|---|
| Technical | Requirements, Technology, Interfaces, Performance, Quality, etc. |
| External | Customer, Contract, Market, Supplier, etc. |
| Organizational | Project Dependencies, Logistics, Resources, Budget, etc. |
| Project Management | Planning, Schedule, Estimation, Controlling, Communication, etc. |

*Definitions of risk probability and impacts:* Definitions of risk probability and impact levels are specific to the project context and reflect the risk appetite and thresholds of the organization and key stakeholders. The project may generate specific definitions of probability and impact levels or it may start with general definitions provided by the organization. The number of levels reflects the degree of detail required for the Project Risk Management process, with more levels used for a more detailed risk approach (typically five levels), and fewer for a simple process (usually three). Table provides definitions of probability and impacts against three project objectives. These scales can be used to evaluate both threats and opportunities by interpreting the impact definitions as negative for threats (delay, additional cost, and performance shortfall) and positive for opportunities (reduced time or cost, and performance enhancement) [5].

*Table 2:* Definition of probability and impact

| Scale | Probablity | Impact | | |
|---|---|---|---|---|
| | | Number of ROs | Cost | Functionality |
| Very High | Every day | >150 | >10L | Very significant impact on overall functionality |
| High | once a week | 100 to 150 | 5L-10L | Significant impact on overall functionality |
| Medium | Once a month | 50 to 100 | 1L-5L | Some impact in key functional areas |
| Low | Once a quarter | 10 to 50 | 10K-1L | Minor impact on overall functionality |
| Very Low | Once in year | 10< | 10K< | Minor impact on secondary functions |

*Probability and impact matrix:* Risk is defined in two dimensions: the uncertainty dimension (assessed as probability of occurrence), and the effect dimension (assessed as impact on objectives. The effect on objectives is relatively simple to estimate, as it involves a simple exercise in imagining the situation where the risk happens. Prioritization rules may be specified by the organization in advance of the project and be included in organizational process assets, or they may be tailored to specific project. Opportunities and threats are represented in a common probability and impact matrix using positive definitions of impact for opportunities and negative impact definitions for threats. Descriptive terms (such as very high, high, medium, low, and very low) or numeric values can be used for probability and impact. Where numeric values are used, these can be multiplied to give a probability-impact score for each risk, which allows the relative priority of individual risks to be evaluated within each priority level.

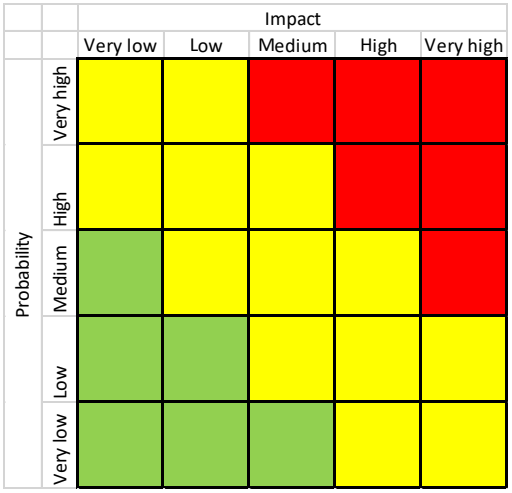



*Figure 1:* Probability impact matrix

*Reporting formats:* Reporting formats define how the outcomes of the Project Risk Management process will be documented, analyzed, and communicated. This section of the risk management plan describes the content and format of the risk register and the risk report, as well as any other required outputs from the Project Risk Management processes.

*Tracking:* A tracker is developed in which all key information related to risk can be record and track. The document consists of risk description, owner, risk mitigation.

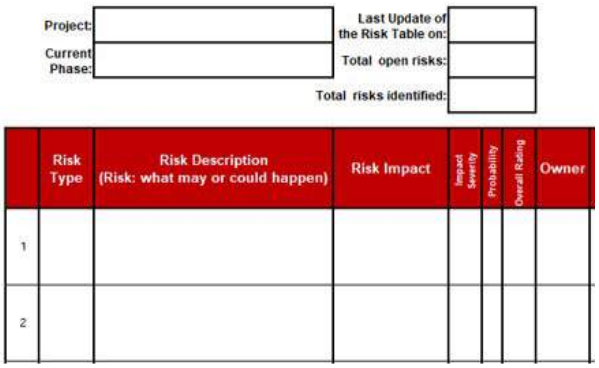



*Figure 2:* Risk register and tracker

2. Risk identification

This process is performed throughout the project. Following tools are used in the project.

- Document review– The tender is reviewed and studied. As the project is tender driven, it is necessary to review the tender. There is may clause related to payment and service which may create the high risk in the project. Thus, proper understanding of tender is required.
- Information gathering - Data-gathering techniques that can be used are:

1) Interview– Discussion has been done with director and vice president. Risk are identified based on their experience.



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2) Brain storming– A brain storming session is done during a 3-day workshop conducted for automation. All state heads, regional head, head office team were part of this session. Based on quaternary, a list of risk is prepared.
3) Root cause analysis– Consider the following example of RCA done for delay in material delivery.

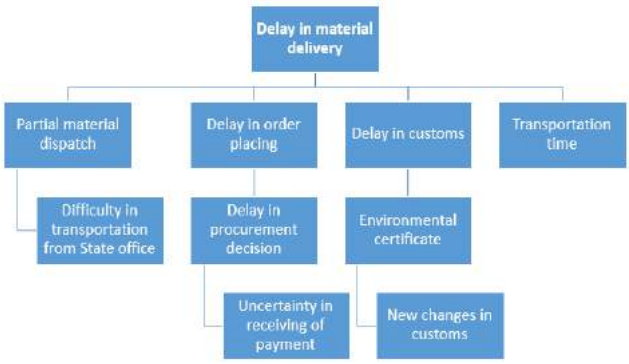



*Figure 3:* Root cause analysis for delay in material delivery

*SWOT analysis:* SWOT matrix is a strategic planning technique used to help a person or organization identify strengths, weaknesses, opportunities, and threats related to business competition or project planning. Consider the SWOT analysis done for project-




*Figure 4:* SWOT Analysis

*Risk identification output*

As output of risk identification following risks are recorded in risk register:

*Table 3:* Risk identification

| | Risk Type | Risk Description | Risk Impact |
|---|---|---|---|
| 1 | Organization/Process | Safety risk Accidents - Road accident during travelling, accident during power on | Death, injury to technician |
| 2 | External | Weather issue in IOAOD, PSO in December | Delay in work completion |
| 3 | Commercial | Change in value of currency | Affects purchase from other countries |
| 4 | External | Dependency on third party vendor | Delay in work completion |
| 5 | External | Vendor monopoly | Increase in payments |
| 6 | External | Custom issues (Environmental certificate) | Delay in getting the shipment |
| 7 | organization/Process | Material theft | Loss of inventory. Monetary loss, delay because of double transportation |
| 8 | Organization/Process | Lack of training to engineer | Poor quality work |
| 9 | External | Poor contractor work | Poor quality work |
| 10 | Organization/Process | Delay in procurement decision | Delay in schedule |
| 11 | Organization/Process | Cross functional team | Delay in decision making, poor communication |
| 12 | External | Scope change by customer | Preplanning, delay in organization targets |
| 13 | Organization/Process | Attrition rate | Delay because of new recruitment and training |
| 14 | External | Elections | Contractor team not available |
| 15 | External | Festival impact | Delay |
| 16 | Technical | Google dashboard failure | Loss of data |
| 17 | Commercial | Tender clauses | Delay in Payment |
| 18 | Commercial | Cost overrun due to rework | Overbudget, delay |

3. Quantitative & Qualitative Risk analysis

As a result of quantitative and qualitative analysis, probability and impact are assigned to identifies risks.

*Table 4:* Risk register with probability and impact

| Risk Type | Risk Description | Risk Impact | Impact Severity | Probability | Overall Rating |
|---|---|---|---|---|---|
| Organization/Process | Safety risk Accidents - Road accident during travelling, accident during power on | Death, injury to technician | Very high | Low | 10 |
| External | Weather issue in IOAOD, PSO in december | Delay in work completion | Medium | Low | 6 |
| Commercial | Change in value of currency | Affects purchase from other countries | Medium | Medium | 9 |
| External | Dependency on third party vendor | Delay in work completion | Medium | Very high | 15 |
| External | Vendor monopoly | Increase in payments | Medium | Low | 6 |
| External | Custom issues (eg Environmental certificate) | Delay in getting the shipment | Medium | Low | 6 |
| organization /Process | Material theft | Loss of inventory. Monetory loss, delay because of retransportation | Medium | Low | 6 |
| Organization/Process | Lack of training to engineer | Poor quality work | High | Low | 8 |
| External | Poor contractor work | Poor quality work | Medium | Low | 6 |
| Organization/Process | Delay in procurement decision | Delay in schdedule | High | very low | 4 |
| Organization/Process | Working with Cross functional team | Delay in decision making, poor communication | Very low | High | 4 |
| External | Scope change by customer | Replanning, delay in organization targets | Medium | Medium | 9 |
| Organization/Process | Attrition rate | Delay because of new recruitment and training | Medium | Medium | 9 |
| External | Elections | Contractor team not available | Low | Very low | 2 |
| External | Festival impact | Delay | Medium | Low | 6 |
| Technical | Google dashboard failure | Loss of data | Low | Very high | 10 |
| Commercial | Tender clauses | Delay in Payment | Medium | Medium | 9 |
| Commercial | Cost over run due to rework | Overbudget,delay | High | Low | 8 |

4. Risk response

Based on the strategies in table 4, mitigation options are identified for the identified risk.



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*Table 5:* Risk response

| Threat | Opportunity |
|---|---|
| Avoid | Exploit |
| Transfer | Share |
| Reduce | Enhance |
| Accept | Reject |

## V. Results and Discussion

The impact or effectiveness of applied risk management plan will be evaluated in 2 ways.

- A checklist will be prepared and circulated among key stake holders to check whether all risks are captured or not.

*Table 6:* Checklist for risk management implementation

| Criteria | Progress |
|---|---|
| Do you have risk management plan? | Yes |
| Do you have risk management strategy? | Yes |
| Do you have identified possible stake holders related to automation project? | Yes |
| Are you aware about risk probability and impact scale? | Yes |
| Do you have established risk management committee? | Yes |
| Does the committee have appointed a specific person who is responsible or accountable for risk management? | Yes |
| Do you have identified methods for risk assessment? | Yes |
| Do you have standard format for risk capturing? | Yes |
| Are you capturing newly identified risks in risk register? | Yes |
| Do you have identified risk treatment plan? | Partial |

From the above, it is transformed into a pie chart. Risk treatment plan is in progress.




*Figure 5:* Percentage of risk management implementation

- Another way of measuring effectiveness is by checking whether mitigation plan is effective or not. A key performance index is identified which are affecting a particular risk. The impact of risk mitigation plan is measured on that KPI.

*Table 7:* Checklist for risk management implementation [6]

| Sr.No. | Risk Management components |
|---|---|
| 1 | Effective culture and organization |
| 2 | Defined and communicated procedures |
| 3 | Level of understanding risk and risk management |
| 4 | Establishing criteria for evaluation of risk |
| 5 | Identification of risk |
| 6 | Registering of risk |
| 7 | Analysis of risk |
| 8 | Prioritization of risk |
| 9 | Appropriate use of risk recording tool |
| 10 | Monitoring of risk actions |
| 11 | Continues feedback on risk management strategies |
| 12 | Regular report to senior management |

Among the 12 points mentioned first 9 points are considered, as remaining point will take some time for implementation.



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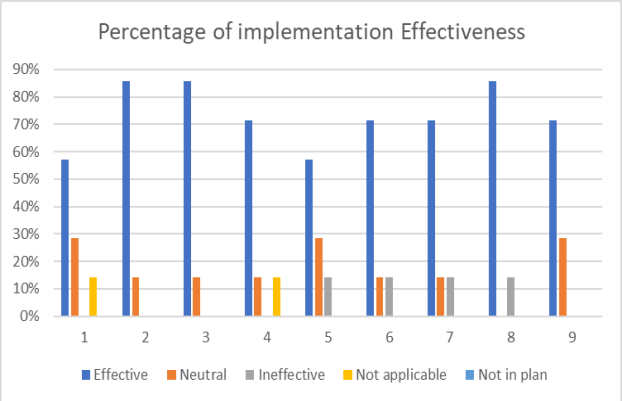



*Figure 6:* Percentage of implementation effectiveness

The process followed in the system had many gaps. There was failing in terms of timeline and cost because of poor planning, lack of risk management, poor communication. For smooth execution, process need to be modified. Project management is lacking in execution. As the scope is not going to vary once tender is accepted and there are so many structured things in Agile, it is difficult to implement agile in this project. Since agile and execution project have many differences like lead time, cost of equipment. the method can't be applied directly. Visual Project Management helps in data handling and tracking.

## VI. Conclusion

ABC company is growing faster in automation business. In order to meet the project targets company is implementing Risk Management plan for the automation project. It can be further expanded to complete service department.

Many problems in project can be avoid or reduced by proper implementation of risk management plan. Many problems in the project can be avoided or addressed in early stage with the help of risk management. A risk management plan is created, and risk analysis is done for the project.

The effectiveness of implemented process is also analyzed. For most of the components, the implemented plan is effective. Risk management may not avoid the problem completely, but it can reduce the impact of problem.

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# The Psychological Factors that Founder Need to Build and Develop a Digital Startup

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*Abstract-* This study was alligned with the research about significant role from entrepreneurial self-efficacy (ESE) and innovation to digital startup success (Dessyana & Riyanti, 2017). Those study showed an interesting result from multiple-regression analyses that reveal ESE and innovation contributes 20.8% to business success with ESE regression coefficient is 0.200 (P <0.05) and the innovation of 0.026 (p> 0.05). This means there is a positive relationship and significant role from ESE on business success, while innovation has a positive relationship but insignificant.

Meanwhile, in this study, researchers would focused to explore about psychological factor that founder need to build and develop digital startup. Researchers was using mix method approach. Questionnaire about ESE, innovation, and startup success already distributed to 64 founders at previous study. Next, interviews were conducted to know more about what and how a psychological factors shown. The sample was three startup communities and member's communities who have an appropriate criteria.

Researcher was found six factors: (1) The importance of detail blueprint and clear vision, (2) The prestige of a right circle to find a right co-founder, (3) Have positive intention to help people solve the problem, (4) Continous innovation to enlarge company, (5) Self-efficacy, and (6) Support from family and friend.

*Keywords:* *technopreneurship*, *entrepreneurial self-efficacy (ESE), innovation*, *business success*, *digital startup.*

*GJMBR-A Classification:* *JEL Code: M13*




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# The Psychological Factors that Founder Need to Build and Develop a Digital Startup

Agnes Dessyana [α] & Prof. Dr. Benedicta Prihatin Dwi Riyanti [σ]

*Abstract-* This study was alligned with the research about significant role from entrepreneurial self-efficacy (ESE) and innovation to digital startup success (Dessyana & Riyanti, 2017). Those study showed an interesting result from multiple-regression analyses that reveal ESE and innovation contributes 20.8% to business success with ESE regression coefficient is 0.200 (P <0.05) and the innovation of 0.026 (p> 0.05). This means there is a positive relationship and significant role from ESE on business success, while innovation has a positive relationship but insignificant.

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Researcher was found six factors: (1) The importance of detail blueprint and clear vision, (2) The prestige of a right circle to find a right co-founder, (3) Have positive intention to help people solve the problem, (4) Continous innovation to enlarge company, (5) Self-efficacy, and (6) Support from family and friend. Those results showed three of six factors was a psychological factor, while another three was personal factor and social factor. Those result aligned with the previous study from Zaheer (2015) that mentions four of six factors contribute the successful of digital startup.

*Keywords: technopreneurship, entrepreneurial self-efficacy (ESE), innovation, business success, digital startup.*

## I. Introduction

Today, digital industry in Indonesia is growing. The growth of the digital industry is characterized by an emergence of startup digital companies. The interesting point is young generation playing the important role. Majority of the founder of startup digital companies are youth people who have an age range between 20 - 35. There is many factors that encourage that phenomenon, such as the inspiration from aboard success, the support from Indonesia government, active internet user from digital age, and the acquisition of local startup by Yahoo Corporation (Arjanti & Mosal, 2012). Today at 2019, Indonesia Government also want to create a digital ecosystem with their 1000 digital startup program that increasing an interest of young generation to become founder ("Mengapa Startup", 09 Sept 2016).

Still, it is not an easy choice to become an entrepreneur in Indonesia. There are various aspects to be considered in developing a company, especially startup digital. In general, the intention to build a startup comes from an idealist vision to solve the social problem. In the study related to the success and entrepeneur, there are many factors that contribute to build a great startup. Zaheer (2015) mentions the factors is background of the founder (i.e. education and experience), motivation and commitment founder to expand the business, founder personality, innovation and creativity, as well as external factors (i.e. relations and environment). Yet, there is a few studies in Indonesia that explain what is the psychological factors that founder need to build a digital startup. Even though, the individual factors in founder can become a determinant role to build startup. The founder has an important role because founder who is a person who create a vision and mission, the organizational structures, and also the long term development plan for their digital business. It is because the founder has a role as the creator, owner, and management of digital startup.

Based on psychological research (Fini, et. Al, 2009), characteristic and personality related to intention to become entrepreneur. Similar with those study, some of those personalities factor also have a significant relationship with the success of the business, such as the need for achievement, self-efficacy, innovation, proactive, confident, resilient to stress, and the need for independent (Rauch and Frese, 2007; Tagraf and Akin, 2009). One of the most important concepts to be seen is self-efficacy. According to Bandura (2010), self-efficacy is the belief in the individual ability to perform a task or action to achieve certain goals. Someone who has a high self-efficacy will tend to work harder and more persistent to face an obstacles and find a way out of the difficulties to accomplish success. This makes people more likely to achieve their goals. The research about entrepreneurial self-efficacy has talked about how self-efficacy can influence entrepreneurial intentions where the higher the value of self-efficacy, the higher the desire for self-employment (Batubara & Tamaria, 2016).

The association between self-efficacy and business success has an important meaning. The

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higher individual belief in conducting business activities will be affect the behavior of individual business development. The more a person has belief about his ability to run a business then the greater the effect on the individual business development (Drnovsek, Wincent, & Cardon, 2010). This concept known as an entrepreneurial self-efficacy/ESE.

Besides those factors, it is also important to discuss the concept of innovation. It is because they need innovation as a tool to execute their creative ideas on startup digital. Aligned with the research that conducted by Rauch and Frese, four psychology students from the University of London conducted another study related to the relationship between the personality traits of the Big Five model to predict business success. From this study found narrow personality traits, namely innovativeness predicts business success better than broad traits, such as conscientiousness and extraversion (Leutner, Ahmetoglu, Akhtar, & Premuzic, 2014). In psychology, individual innovation can also be seen from the way or process of thinking. With this concept, we can see how the creative thinking give an influence to build a concept of their startup. Kirton innovation theory will be used to see innovation from the perspective of personality. Kirton believes that there are three elements that differentiate the style of a creative person, namely originality, efficiency, and group-conforming. All three of these elements will determine whether a person is an adaptor or innovator (Kirton in Riyanti, 2003).

In the entrepreneurial process, creating and developing a business isn't an easy task. Factors, such as an uncertainty condition, obstacle, and responsibility to develop will determined someone to become an entrepreneur or not. One of interesting facts within this digital startup is the role of community or group. Today, Indonesia have many community about entrepreneural, especially about technopreneurship. In those community, the members have a similar passion to build a startup digital and encouraged to support each other. The community often held an events, i.e. gathering or seminar, to share and discuss updated information about digital startup. That efforts makes the community bigger and attract people to join the community.

In this study, another unique characteristics from digital startup is innovation should be combined with the skills or ability to use technology. This also the reason for the establishment of digital startup communities. Giving knowledge, share experiences and tips about develop startup digital make founders and members of the community to belief that they can do this business.

This study was alligned with the research about significant role from entrepreneurial self-efficacy (ESE) and innovation to digital startup success (Dessyana & Riyanti, 2017). Those study was focused to know about an influence of innovation and ESE to digital startup success. Now, researchers will be more focused to explore more about a psychology factors that founder need to build and develop digital startup. So, we will get a better understanding about digital startup success.

*a) Research Question*

1. What is psychological factors that people need to build and develop a digital startup?
2. How does innovation and entrepreneurial self-efficacy factors in supporting people to build and develop digital startup?

## II. Literature Review

This segment offers the synopsis of related literature. It will be divided to three part. First is about a startup lifecycle to know a context overview about startup. Second, it's about factors that influence people to become entrepreneur. The third is about factors that are critical to measure startup success.

*a) Startup Lifecycle*

Based on the results of Startup Genome Report (2012), there are four stages of development that are passed by a startup, namely:

| Stage | Focused | Challenged | Enterprise Age |
|---|---|---|---|
| **Discovery** | Create and build an idea that can provide added value or solve problems for customers or users. | - decide the added value and initial products<br>- finding a team<br>- searching for investor, incubation, or acceleration | 3 – 7 months |
| **Validation** | Seek an approval that users / communities are willing to use their services or products. | - Find market opportunities<br>- Repeat service usage / product purchases<br>- Achieve a desired growth | 8 – 13 months |



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| | | | |
|---|---|---|---|
| **Efficiency** | Make an adjustment between the added value and the financial condition of the company. | - How to fundraising<br>- Maintain a great solid team player<br>- Achieve customer expectations & having loyal customers | 14 – 20 months |
| **Scaling** | Accelerate customer growth, income, or both. This stage lasts for about 7-9 months and is the most important stage and determines whether a startup will growing or failing. | - Adjust growth with organizations<br>- Forming a necessary department<br>- Fundraising. | > 20 months |

In this study, we will look at the startup's stage to know more about characteristics and also a business model from each startup.

*b) Factors to become an entrepreneur*

There are some factors that influence people to become entrepreneur (Kinggudu, 2002; Ullah, et al, 2012; Sowole, et al, 2018), such as:

1. Demographic factors: age, gender, social status, education, experience, and ethnicity
2. Psychological factors: courage to take risks, need of achievement, self-efficacy, self-confidence, autonomy, internal locus of control, motivation, entrepreneurial spirit, creative, innovation, and intention to act
3. Skills: technical expertise, managerial expertise, personal relationship skills, business acumen, marketing expertise, and innovation
4. External factors: government policies, socio-economic and political state, infrastructure conditions, and the country's economic system.

In this study, researchers want to know what is factors that people need to become a founder then build and develop a digital startup.

*c) Factor that are critical to measure startup success*

A study conducted in the United States by the Startup Genome Project (2012), describes five factors that must be develop to become a critical key as a startup success, namely:

1. Consumers
   Key metrics: number of consumers, percentage of users who can be said as a loyal.
2. Products
   Product must be clear, precise, and needed by consumers.
3. Team
   Team must be solid and have the same vision.
4. Financial
   Have a great view about cost structure and revenue model of startup company.
5. Business model
   A clear and systematic business model is one of the things that needs for startup.

## III. Method

*a) Research Method and Population*

Researchers used mixed method explanatory sequential analysis, where quantitative methods used first, then followed by qualitative methods with the aim to provide an explanation and interpretation of the quantitative results that previously obtained.

For quantitave methods, researchers used the data that already obtained, which is a questionnaire consist of demographic, statup characteristic, entrepreneural self efficacy (ESE) and innovation KAI. Those data was processed using descriptive statistical technique. For qualitative method, researcher used the data from interview to completed and explained about the quantitative data. Respondents must have this characteristic: (1) the owner of startup digital, such as creator websites, creator applications, games developer, software developer, and so on; (2) have started businesses approximately 3 months; (3) is part of the initial founder (part of team founder); (4) the members of startup community.

Total population is unknown so to determine the sample for quantitative method, researcher use the following criteria: (a) a decent sample size in the study were between 30 to 500; and (b) If the research will perform with multivariate analysis (i.e. correlation or multiple regression), then the number of sample members at least 10 times the number of variables studied. For example there are five research variables (independent + dependent), the number of members of the sample = 10 x 5 = 50 (Roscoe in Sugiyono, 2010). The sampling technique is the nonrandom sampling,



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namely convenience sampling. Total number of samples obtained for quantitave method is 64 founders.

Meanwhile, for qualitative method, basically there are no certainty regarding the number of respondents, because the research focuses more on the depth of data. Considering about the amount of time and availability of respondent, the interviewed was conducted to three people.

*b) Questionnaire Tools*

There are two variables in this study that researchers want to measure using a quantitative method, which is is innovation and entrepreneurial self-efficacy. The innovation behavior is the tendency of innovation to be innovative or adaptive. It will be measured by KAI instrument (Kirton Adaption-Innovation). There are three dimensions, namely originality idea, efficiency, and group conforming). In KAI there are 31 statements and measured using a Likert scale of 1 to 6. The higher score indicates a tendency to act more innovative (innovative creative), the lower score indicates a tendency to act adaptive (adaptive creative).

Meanwhile, entrepreneural self-efficacy is the belief of the individual toward his ability in conducting entrepreneurship to achieve a success. It will be measured by ESE instrument. There are six components in the concept of ESE (Barbosa, et al., 2007). In ESE there are 24 statements and measured using a Likert scale of 1 to 6. The higher score indicates a tendency of respondents have high levels of self-efficacy, and vice versa. The lower the score, show respondents have low levels of self-efficacy.

*c) Interview Tools*

The method for qualitative is unstructured interviewed guidance of interview to explore about startup lifecycle and factors that founder need to build and develop their startup. Researcher used an open-ended question to know more about startup success, such as financial and consumer. Researcher also create a question to know about their history, reason to build startup, vision and mission, also their life experience that they need to build and develop startup. Some of example:

1. What is your reason to build this startup?
2. What do you expect from this startup?
3. How much time you need to build this startup?
4. From your perspective, what is the important factor that help you believe that your startup will be success in future?

## IV. Result

*a) Respondent Demographic Data*

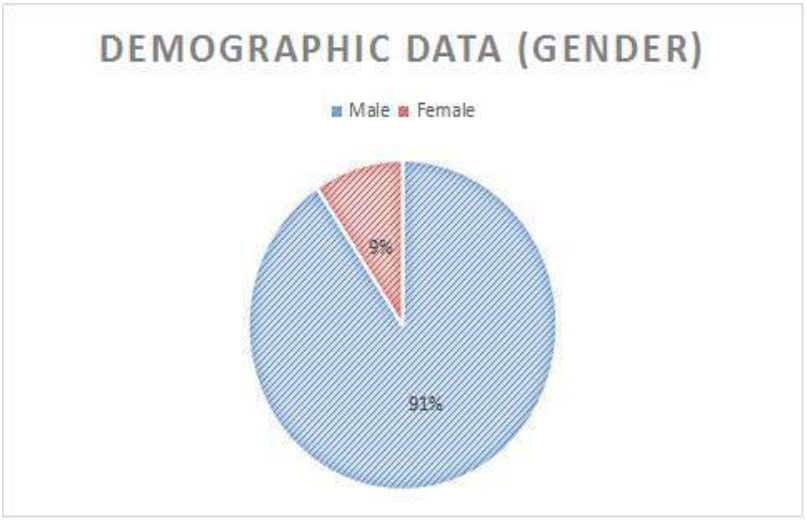



*Chart 1:* Demographic Data (Gender)



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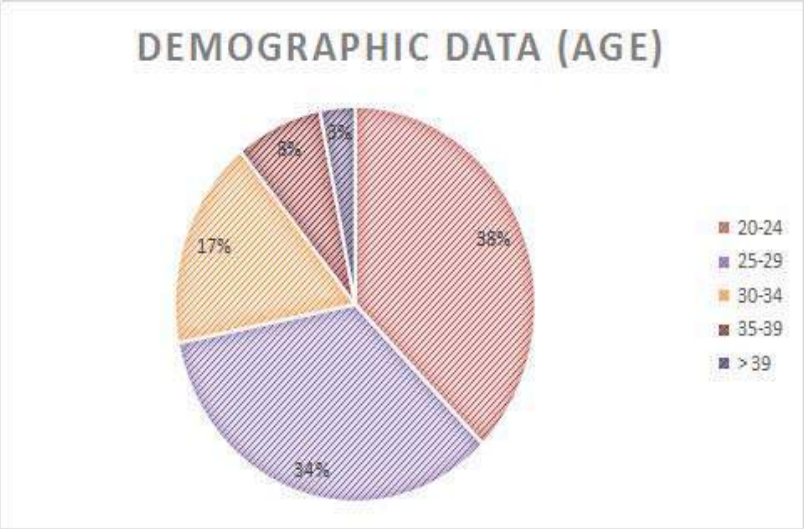



*Chart 2:* Demographic Data (Age)

Respondents consisted of 58 (86.6%) male and 6 (9%) women, aged between 20-39 years old. Based on generation theory, this group age included in the Generation Y and Z. Character distribution of generations based on birth span. This is to explain that the characteristics of the founder is a generation who are familiar with the internet. They have been exposed to digital technology and often use it in everyday life (Jones & Shao, 2011; Sivalingan & George, 2011). This causes them to be more open to the use of technology and more eloquent to use the technology in their lives.

*b) Descriptive Statistic*

The following will explain the descriptive data from this research.

*Table 1:* Descriptive Overview

| Instrument | Mean | Standard Deviation | Range of Data |
|---|---|---|---|
| **KAI** | 137,52 | 24,71 | 31 – 175 |
| **ESE** | 119,88 | 15,45 | 48 – 143 |

Range score innovations have score of 31 to 175 with an average 137.52. It shows that the innovation score of founders is moderate. It means, founders prefer to use the style of thinking Bridger, combination of innovative and adaptive. It is not much different from additional data obtained by researchers where more innovative style of creative thinking was applied to find an ideas and find the problems that exist in the field. However, later in the execution of the idea and the process of change, the digital startup owners are more likely to use a gradual change and are looking for ways that are already used by the mentors or experts who are experienced and then apply it to the business they run.

Range score ESE for founder digital startup are in range of a score 48 up to 143 with an average 119.88. It shows that scores on ESE is moderate. This means that overall the digital startup founders have the ordinary belief on their ability or skills to manage and develop startup. This suggests that the skills they have match to what is required in creating and managing their business.

*c) Qualitative Analysis*

The following will present information about the startup interviewed. Researcher interviewed respondent with an appropriate characteristics, such as : (1) have a high or medium score of ESE; (2) have a high or medium score of innovation; (3) lived in Jabodetabek; (4) active in startup community; (5) part of a founder team (or co-founder).



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*Table 2:* Interviewed Result

| No. | Role | ESE Score | Innovation Score | The Reason to Build Startup Digital | Product Phase | Factors that help Founder to develop Startup |
|---|---|---|---|---|---|---|
| 1 | Founder | High | High | - Hobbies<br>- Independently for Financial | Efficiency Stage (14 - 20 months) | - Innovation<br>- Flexibility to adapt<br>- Know what must to do<br>- Active to join community event<br>- Great connection to get the investor<br>- Belief about the good thing come with a good plan |
| 2 | Co-Founder | High | Medium | - Solve the Problem<br>- Passion | Scalling Stage (> 20 months) | - Detailed long term development (“blueprint”)<br>- Always doing an improvement (“know what market need”)<br>- Support from team<br>- Motivation to help people<br>- Active to join an exhibition to promote the product<br>- Don’t forget to pray and do the best |
| 3 | Founder | Medium | High | - Profit and Increase Revenue<br>- To be independent<br>- Solve the Problem | Scalling Stage (> 20 months) | - Great teamwork<br>- The similar mission with co-founder and team<br>- Always create a new product<br>- The detailed of market segmentation<br>- Family’s support<br>- Join with a right community |

The founder who run their business with high self efficacy have a tendency to be more adventurous and eager to face the challenges. This is also make them want to trying new things than those who had lower score of self-efficacy. High self efficacy helps them to be better prepared in the face of obstacles, interact with investors, employee development, and create products in achieving success.

Based on this interviewed, there is some reason to build a startup, such as motivation to solve the problem, want to have a financial independent, and also a passion to help people. The age of the business is in the range of 14 months to 2 years, the development preferably to keep/maintain products, application/ website, and consumer. In doing the maintenance, founders prefer to find ways and strategies that have been successful allign with their mission and long term development plan ("blueprint"). Moreover, they have a community that is active and support each other by sharing knowledge and new information about exhibition. Community also a place for founder to get more connection and find a partner or solid team who have a similar passion. The support from friend, family, and investor, also become a point to become success to create a digital startup.

Based on interview conducted by researcher in this study, it's interesting to find that the concept 'does not give up' who spoken by the founder is often associated with the belief and trust to become more confident. The founders pointed out that they need the belief to be confidence, either to build the startup or taking a decicion making to choose a good opportunity for their business (Interview on 16-17 November 2016). Therefore, the concept of self efficacy and community becomes appropriate to related it of founder for startup digital. This is similar to the result of research from Wood, et al (in Punnet, et al., 2007), who stated about self-efficacy that has been proven to predict the effectiveness of using strategies in making managerial decisions.

In interview, founders also said that innovation is necessary to create and develop the product to solve problem. Innovation is also important when they need new method to grow their business and attract people to get to know their product. Moreover, innovation is becoming a strategy to determine how they build the blueprint, improve technology, and enhance a startup system.

Based on the results of interviews with, it also found that when setting up a digital startup, the founders did not work alone. Usually, founders will work together with co-founders (partners), or form a team of 4-5 people in setting up and running a digital startup business. The team formed consists of individuals who have a similar vision, namely to create a digital-based application that can help solve a problem and have the spirit not to give up. In addition, team members usually consist of young people who are more fluent and open to technology. The founder's educational background is usually between information technology, management, or communication science (Interview on 24 November 2016).

When asked about solving the problem, founders always have a mission to help people. One of the founder told his story about their blueprint. He was named Brother T, one of the founders of a digital startup business, which is engaged in online language learning media. His business was built in early 2015 and has been running for almost two years. He had a purpose to create an online learning that help people easier and more enjoy to learn languages (especially English) so that everyone can learn easily, quickly, and pleasantly. Brother T, who has a background in information technology, formed a team that have a similar passion to help him build and develop his business on various learning platforms (websites, android smartphones, and iOS). According to him, one of the things that is the key to the success of the release of this online learning platform is because of a solid team, innovation, a clear vision, know what market need, his educational background, an experience doing business projects, and also a support from family and friend (Interview on o1 October 2016).

Based on those interviews results, researcher then categorize those data to six factors to know about what is the factors help people to build and develop digital startup: (1) The importance of detail blueprint and clear vision, (2) The prestige of a right circle to find a right co-founder, (3) Have positive intention to help people solve the problem, (4) Continous innovation to enlarge company, (5) Self-efficacy, and (6) Support from family and friend. Those results showed three of six factors was a psychological factor, such as (a) positive intention, innovation, and self efficacy. Those result aligned with the previous study that stated psychological aspect have a positive effect to entrepreneurial success (Przepiorka, 2017). This research also has another interesting result which find that another three factors that contribute to value of founder categorized of personal factor and social factor. Those aligned with the previous study from Zaheer (2015) that mentions four of six factors contribute the successful of digital startup.

## V. Conclusion

This study aimed to know the psychological factors that people need to build and develop digital startup. The findings of this study indicate that in the context of startup ventures, psychological characteristics have a tendency to dominate a person to become success. The important psychological characteristic that influence an entrepreneurial behavior (startup development) is an entrepreneurial self-efficacy,



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innovation, and positive intetnion to help people or solve problem. Those characteristic will give them a intention and motivation to build a good startup and develop their business to become success. In this case, researchers also found that the concept of ESE becomes important, because when the founder did not have the strong believe of their ability to develop startup, they are less actively involved in community activities

Otherwise, the founders who believe in their ability will become more active and participate in various activities aimed at enhancing cooperation, increase knowledge, or to make a development on the business. Meanwhile, innovation plays a role only in the initial stage as in the development stage in the startup phase (3 months - 2 years). In this stage, the founder tends to increase the knowledge than to use the style of thinking innovation. And, the most important thing is to have a positive intention to build a startup to help solving the problem. Because, it will make the founder to have a clear goal, detailed vision, and create a alligned long term development for their business. It is also gives them the tendency to join the community and find a co-partner or team who will help them to develop their business.

## VI. Discussions and Recommendations

The founders who have faith in their skills and abilities to manage the business and develop startup, will have more intention to build startup and become more success with their business. This is alligned with research conducted by Inggarwati and Kaudin (2010) which states that when entrepreneurs have high self efficacy, will have a higher desire to develop the business than the one who has low self efficacy. A similar result was found in research conducted by Herath & Mahmood (2014) which states that existence of higher level self-efficacy among entrepreneurs will be helpful for them to improve the performance of their behavior to develop new product, prepare a plan to adjust with unexpected challenge, and developing their team. Having a higher entrepreneurial self-efficacy make founder more confident to facing uncertainty of the business environment so that more had the desire and the courage to build and develop the business.

Innovation also become as one of factor to predict the founder to build and become successful at their business. This is in line with a study was conducted by Rauch and Frese (2007), that mention about innovation was used as a factor that will be the determinant of how employers implement creative ideas in the formation and implementation of business ideas.

In addition, another thing that should be considered in conducting research on digital startup is to notice the proximity and collaboration between founder. This can been seen from their relationship between founder, co-founder, and team. This is also can been seen within the proximity between member of startup community. They have a tendency to join a community who have a similar passion, and they can be so open with each other even to share information, knowledge, investor, or experience so they can help each other in running their digital startup. It will be very interesting to see how the cultural climate of the digital startup community and connection with business development digital startup itself.

Although, the sample in this study is small and comes from various fields and business models of business startup and the amount is not too balanced to cover for each category of its business model. This may affect the kind of factors that will appear to build and develop digital startup. Therefore, perhaps in future research, it can be focused on a particular business model or are looking for a balanced number of samples for each category.

## VII. Intervention Overview

To develop a startup business, founders as an owner and CEO, must have the broad knowledge about managing business, technological knowledge, and also marketing digital. The unique thing about digital startup, founder was too focused on the aspect of technology. Sometimes they forget to improve their skill for managing business, such as manage financial aspect, how to create a firm business process, develop an interpersonal skill to attract the investor and co-founder, etc.

The intervention was carried out by providing information about the importance of the business plan and direct customer analysis. With some help from website developer, the researcher creates a website platform who provide the knowledge for create and develop a digital startup business.

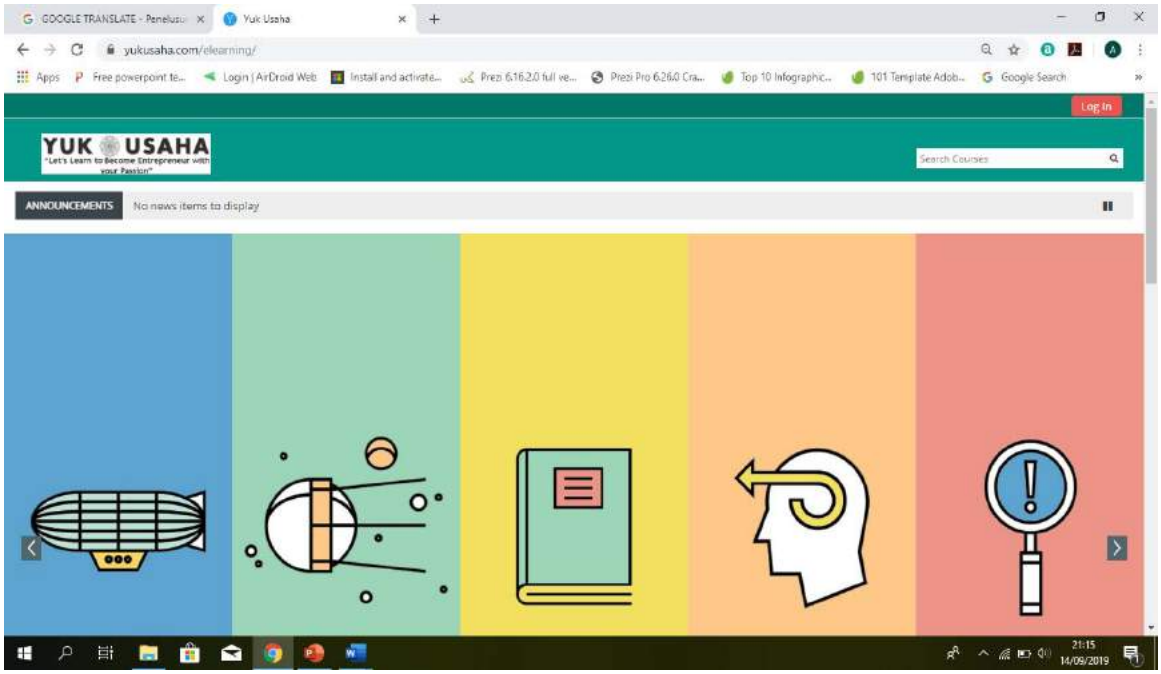
*Blueprint of intervention:*

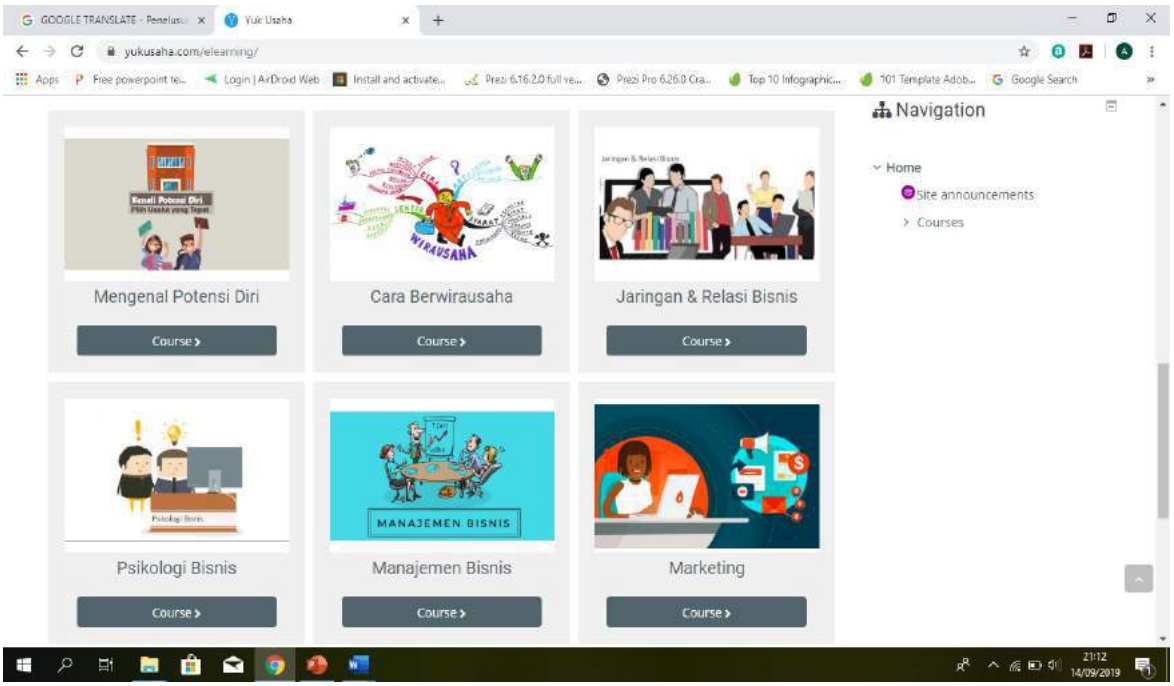
1. Media Intervention: Website Platform
2. Name of website: https://yukusaha.com/elearning/
3. Purpose: YUK USAHA is developing a learning platform program for college students who want to become founder, because nowadays they don't know why they must choose to become an entrepreneur and how to develop business, by featuring educational path program, personality and competency profiling, and book report.



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4. Model platform




5. Overview agenda of intervention plan.

- First: Create a curriculum path and syllabus of digital business education for founder at August 2019 until September 2019.
- Second: Socialize the prototype of platform at October 2019 until November 2019.
- Third: Evaluation until December 2019.
- Fourth: Improving the platform based on the result of evaluation.

## VIII. Managerial Implication

Psychological factors that help founder to build and develop digital startup, are entrepreneural self-efficacy (ESE), innovation, and posisitve intention to solve the problem. Therefore, efforts to encourage business development do not have a strong impact if the founder does not have those characteristics. The implications of this study are:



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1. For institutions or communities who want to develop a digital startup business in Indonesia, should consider providing curriculum to enhance those characteristic and know how psychological factors play an important role to build and develop digital startup. Provision of knowledge and skills are made in the form of seminars, workshops, or bootcamps. Hopefully, community or institution can create a bootcamp to build those characteristics and give a founder a boost to have a great confindence, enhance their innovation, and also have a social mission to become a problem solver of the social problem within their area.
2. Institutions and communities also need to actively and regularly conduct meetings of founders, such as exhibition, gathering, and bazaar. These meetings to build relationships and connections as one way to increase success in the digital startup business (Nann, et al, 2009). These meetings can also help founders who have similar businesses to learn from each other and share information related to how to build and develop their digital startup.
3. The institution and community should also start thinking about how to improve innovative and creative thinking skills for the founders. With innovation, the founder will be able to apply creative ideas in developing his business. This is what will be needed to make digital startup continuously in the creative and technological industries, which are very fast changing, unpredictable, and competitive (York & Danes, 2014; Carlson & Usher, 2015).

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# The Impact of Subordinate's Trust in Supervisor and Felt Trust on Subordinate Psychological Empowerment

By Rotumba Arachchige Ishanka Chathurani Karunarathne

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*Keywords:* *trust, felt trust, trust in supervisor, and psychological empowerment.*

*GJMBR-A Classification:* *JEL Code: O15*




*Strictly as per the compliance and regulations of:*

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*Keywords: trust, felt trust, trust in supervisor, and psychological empowerment.*

## I. Introduction

Over the last two decades, the concept of empowerment used as a weapon to encourage employees to work effectively to achieve organizational goals. To replicate typical power transfer mode of organizations i.e. job enrichment, scholars have come up with new mechanism, which is called employee empowerment (Menon, 2001). Although, employee empowerment consists with different approaches e.g. relational approach and psychological approach, psychological empowerment is becoming more significant for enhancing employee workplace performance. Although, the concept of employee psychological empowerment popular among scholars, only few researchers have paid their attention to psychological empowerment (Menon, 2001). From prior studies, we already know the benefits of psychological empowerment. However, we hope that psychological empowerment based on supervisor-subordinate relationship, because, this is happening through emotional contagion between supervisor and subordinate. Thus, we believe that trust between related parties as a significant predictor of employee psychological empowerment. In contrast, employee trust considered as a predictor of different organizational outcomes, such as job performance, citizenship behavior, job satisfaction and organizational commitment (Dirks & Ferrin, 2002), intentions to quit (Brower, Lester, Korgaard & Dineen, 2009), interpersonal facilitation (Kim, Wang & Chen, 2016). Only few scholars (e.g. (Ergeneli, Ari, & Metin, 2007, Findikli, Gulden & Semercioz, 2010; Mayer at al., 1995) have investigated the association of interpersonal trust between supervisor and subordinate on empowerment. Thus, we know little about the role of trust in enhancing psychological empowerment. Hence, to eradicate above gaps in the literature and fill the knowledge gap in the literature, the present study investigates the impact of two forms of trust, i.e., trust in supervisor and felt trust on subordinate psychological empowerment.

This study contributes to the literature in several ways. First, by empirically investigating the effect of trust on psychological empowerment, we contribute to enhance our understanding of trust and psychological empowerment. Interpersonal trust is the most vigorous component in the workplace which make a foundation for a favorable working climate between supervisors and subordinates. But today most organizations are struggling to cope up with rapid changes and survive in the marketplace. They have missed the importance of the trust relationship of supervisor-subordinate dyad and its positive outcomes. The current research emphasizes the importance of interpersonal trust between supervisor and subordinate in order to make a psychologically empowered subordinate. Second, we assess the interpersonal trust relationship in two aspects; trust in supervisor and felt trust. Trust in supervisor reflects how much subordinate trusts his/her supervisor. Felt trust reflects subordinates' feeling of being trusted by their supervisors. However, most of the extant research focused on subordinate trust in their supervisor across multiple disciplines (e.g., Brown, Gray, McHardy, & Taylor, 2015; Engelbrecht & Mahembe, 2015; Shah, 2014; Xiong, Lin, Li & Wang; 2016). But little attention has been paid to examine subordinates' felt trust. Furthermore, the major limitation of past researches on interpersonal trust is almost

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exclusively focused in upward relationship within the organization (e.g., trust in supervisor) (Knoll & Gill, 2011). The current research moves beyond the construct of trust in supervisor and investigates the impact felt trust in subordinate psychological empowerment. Third, most of the extant research based upon samples from western countries. However, western understanding of trust might be different from east. Thus, collecting data from a sample of Sri Lankan apparel industry executive level employees, this study contribute to fill the gap in the literature.

## II. Literature Review and Hypotheses

### a) *Psychological empowerment*

Empowered employees are stewed with internalized organizational goals, performed beyond their defined roles, willing to accept and adjust to changes and become more effective (Conger et al., 1988). Ergeneli and his colleagues (2007) havestated that the empowerment has two approaches, namely "relational approach" and"psychological approach". In the relational approach, mainly environment factors are considered. Based upon relational approach of empowerment, Niehoff, Moorman, Blakely, and Fuller (2001) defined empowerment as "managerial activities and practices that give employees the right to use and control the resources of the organization". The second approach of empowerment i.e., psychological approach, based upon employee perception and emphasized the psychological conditions of the employee. Conger and colleague (1998) defined the psychological empowerment as "a process of enhancing feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness and through their removal by both formal organizational practices and informal techniques of providing efficacy information". Ergeneli et al. (2007), emphasized this psychological perspective of empowerment as an effort which encourages the active participation of employees in the decision-making procedure. In some cases, although the power has delegated to employees they do not perform as expected level. The reason for that is employees either do not aware the authority was transferred to them or feel powerless in the organizational hierarchy. Thus, the empowerment is a psychological element which involves self-perception of employee (Forrester, 2000). Zimmerman (1995), argued that psychological empowerment is not just self-perceptions of competence, but it comprises active engagement with one's community and also understanding of one's environment of socio-politics. The psychological empowered workers permit themselves to use larger control over their tasks and greater responsibility for their tasks (Hoch & Dulebohn, 2013).

Moreover, Conger et al. (1988) explained empowerment in terms of relational aspect and motivational aspect. Under the relational aspect, the empowerment considers as the process which transferring or sharing leaders' power and authority with their followers or subordinates. Thus employees effectively contribute to achieving the firm's goals and strategies. Under the motivational aspect, the empowerment takes as a motivational factor which motivates employees to control and influence to others.

Scholars (e.g. Thomas et al., 1990; Yukl et al., 2006) have identified psychological empowerment as a multidimensional construct. Four instanceresearchers (Conger et al. 1998; Jha, 2017; Ugwu et al., 2014; Spreitzer, 1995; Boudrias et al., 2004) have identified four dimensions of psychological empowerment, namely; Meaning, competence, self-determination and impact. Meaning refers to "the value of the task goal or purpose, judged in relation to the individual's own ideals or standards; the individual's intrinsic caring about a given task" (Thomas et al., 1990). The second dimension Competence refers to "the degree to which a person can perform task activities skillfully when he or she tries" (Thomas et al., 1990). , self-determination has described the choice of the person in initiating and controlling activities (Deci, Connell, & Ryan, 1989; Mostafa, 2017). The fourth dimension Impact refers tothe degree to which behavior is seen as "making a difference" in terms of achieving the purpose of the task, that is, producing intended effects in one's task environment" (Thomas & et al., 1990). In this study, we assessed psychological empowerment using all these four aspects.

### b) *Trust*

The concept of trust has been getting increased attention in many recent management studies with identifying the trust as a key ingredient in the effectiveness of the organization (Afsar & Saeed, 2010). Business survival required organizations to continue to learn and trust their employees. Even though the trust has played as a vital role in the workplace, there is no universally accepted definition of trust (Rousseau, Sitkin, Burt, & Camerer, 1998). Scholars have brought different definitions to elaborate the concept of trust. The most repeated definition of trust which can found in the past literature was "willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party" (Mayer et al., 1995, p.712). Rousseau et al. (1998) have viewed "trust as a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another". Scholars accepted as true that trust was a crucial element in cooperative relationships. However, the current study has focused on the interpersonal trust



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relationship between supervisor and subordinate. McAllister (1995) has introduced two elements in trust: Affect-based trust and cognition-based trust. *Affect-based trust* based onaffection, emotional bonds and interpersonal care between trustor and trustee where the cognitive based trust is about the belief of trustor regarding the ability, integrity, and reliability of trustee. Emotional based trust concern intrinsic values of relational parties and reciprocity (mutual concern and mutual care, McAllister, 1995) is an important norm of their relationships, where both parties enjoy the benefits. In contrast, under the cognitive based trust related parties are take decisions based on their prior experience rather mutual understanding. In management literature, researchers (e.g. Brower et al. 2009; Schoorman et al. 2007), mainly paid their attention to supervisor subordinate relationships and they mainly emphasized three forms of trust, i.e., trust in supervisor, trust in subordinate and felt trust. However, in this study, we only paid our attention to trust in supervisor and felt trust.

*c) Trust in supervisor*

Trust in supervisor is about how much the subordinate trust his/her supervisor, where the trust played vital role in supervisor -subordinate relationships (Mishra et al., 1998; Wei, 2004).)Trust in supervisor refers to Employees' willingness to be vulnerable based on expectations that the intentions, words, or actions of their supervisor can be relied upon" (Afsar et al., 2010).

*d) Felt trust*

In the literature, the felt trust has received a wider attention from various scholars (e.g., Brower, Schoorman, & Tan, 2000) as one of a unidirectional forms of trust between supervisor-subordinate dyad. Felt trust defined as "Subordinates' feeling of being trusted by their supervisors" (Kim et al., 2016).

In this study, we considered trust in supervisor and felt trust as independent variables and psychological empowerment as the dependent variables. We believe that trust in supervisor and felt trust has significant impact on psychological empowerment, where if subordinate trust and have the feeling of supervisor of being trusted by their supervisor, which lead to high psychological empowerment of subordinate. In support prior research (Findikli et al., 2010; Mayer at al., 1995; Mishra et al., 1998; Laschinger et al., 2004) have found that trust between supervisor and subordinate positively related to subordinates' psychological empowerment. In another study Ergeneli et al., (2007) found that the subordinates' cognition-based trust positively associated with their psychological empowerment. Based on these evidence, we hypothesize that,

*Hypothesis: There is a significant impact of trust in supervisor on subordinate's psychological empowerment.*

*Hypothesis: There is a significant impact of felt trust on subordinate's psychological empowerment.*

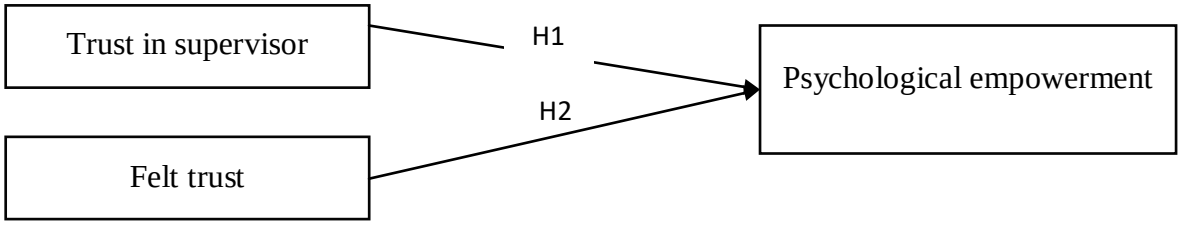



*Figure 1:* Depicted our conceptual framework.

## III. Method

*a) Data collection procedure*

To test our hypotheses, we collected data from 95 executive level employees who are working in a leading garment manufacturing company in Sri Lanka. We collected data using a paper-pen survey which is available in English. We distributed 110 (that is the entire population) surveys and received back only 95 surveys. The survey consisted with 3 parts including a cover letter which explained the purpose and confidentiality of data. The part one of the survey measures our independent variables, i.e., trust in supervisor and felt trust. Part two is about dependent variable, i.e. psychological empowerment and at end of the survey, we asked about participants' demographics information.

*b) Sample*

Among the participants of this study 51% were male and majority of our sample was age between 30-39 years old. Of all respondents 52.1% have bachelor degree, 45.7% are having General Certificate of Advance Level qualification and rest of the participants are having postgraduate qualification. Majority of participants (30%) were following human resource management special degree, while 73.4% of participants were married. In terms of working experience, majority of survey participants (50%) had 1-5 years of working experience. However, majority of survey participants (40.4%) had less than 1 year current supervisor.



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c) *Measures*

*Trust in supervisor:* To measure trust in supervisor, we adapted the scale developed by McAllister (1995) which includes two dimensions, i.e., affect-based trust and cognitive-based trust. The original scale consisted with eleven items, however, based on factor loadings (factor loading <.70), we selected only 10 items. In line with Kim, Wang, and Chen (2016), we slightly changed the wordings of the items in a meaningful way. Sample items are "I can freely share my ideas, feelings, and hopes with my supervisor" and "I trust and respect to my supervisor". The anchor points of the scale used to measure non-financial rewards ranged from 1, "strongly disagree" to 7, "strongly agree". Cronbach's Alpha for the composite scale was 0.87.

*Felt trust:* To measure felt trust, we adapted the scale developed by McAllister (1995). The scale contained with eleven items, which measures both affect-based trust and cognition-based trust. In line with Kim et al, (2016), we slightly change the wordings. Sample items include "My supervisor can talk freely to me about difficulties (s)he is having at work" and "My supervisor sees no reason to doubt my competence and preparation for the job". The anchor points of the scale used to measure non-financial rewards ranged from 1, "strongly disagree" to 7, "strongly agree". Cronbatch alpha for composite scale was 0.87.

*Psychological empowerment:* The dependent variable of this study is psychological empowerment. To measure psychological empowerment, we adapted the scale developed by Spreitzer (1995). The scale consistent with a total of 12 items while covering four dimensions, i.e., meaning, competence, self-determination and impact (Thomas & Velthouse (1990). The employees rated their responses on a seven-point Likert scale from 1-strongly disagree to 7-strongly agree. Sample items are, "The work I do is very important to me", "I am confident about my ability to do my job", "I have significant autonomy in determining how I do my job", "I have considerable opportunity for independence and freedom in how I do my job". Cronbatch alpha for composite scale was 0.88.

*Control variables:* In line with prior researchers (Ergeneli, Ari, & Metin, 2007), we control for age, gender, tenure with current supervisor, years of prior work experience and education level. However, we did not control for participants' position as all our sample were in executive level.

## IV. Results

a) *Preliminary analysis*

Before we test our hypotheses, we conducted confirmatory factor analyses (CFA) to validate the scales. We assessed the overall model fit using the comparative fit index (CFI), Tucker Lewis index (TLI), the root mean square residual (RMSEA) and standardized root mean square (SRMR). According to Hu and Bentler (1999), a model has reasonably good fit if: (1) SRMR values are close to .08 or below; (2) RMSEA values are close to .06 or below; and (3) CFI and TLI values are close to .95 or greater. Our theoretical model show a reasonable fit to the data ($\chi 2$ (340) = 530.42; DF= 340; p = .000; CMIN/DF = 1.56; CFI = .91; TLI = .91; RMSEA = .05; SRMR =.07). Moreover, all items loaded on their respective factor significantly, with loadings higher than .40. Moreover, to reduce the potential of multicollinearity, we standardized all variables (Field, 2013).

*Results*

The means, standard deviations, and inter-correlation among variables are reported in Table 1.

*Table 1:* Mean, standard deviation, and inter-item correlation

| | Variable | Mean | S.D | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Age | 1.96 | .854 | | | | | | | | |
| 2 | Gender | 1.49 | .503 | -.227* | | | | | | | |
| 3 | Education Level | 1.57 | .577 | -.124 | .244* | | | | | | |
| 4 | Organizational Tenure | 2.03 | .754 | .820** | -.269** | .007 | | | | | |
| 5 | Tenure with Supervisor | 1.88 | .902 | .789** | -.204* | .027 | .764** | | | | |
| 6 | Civil Status | 1.73 | .444 | .622** | .011 | -.069 | .603** | .431** | | | |
| 7 | Trust in supervisor | 5.5234 | .59774 | -.025 | .019 | .070 | -.049 | .059 | -.065 | | |
| 8 | Felt trust | 5.4287 | .64901 | .049 | -.011 | .067 | .068 | .186 | .075 | .616** | |
| 9 | Psychological empowerment | 5.6259 | .63884 | -.046 | -.032 | .067 | .032 | .007 | .031 | .467** | .537** |

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

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

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*Table 2:* Results of regression analysis

| | Model 1 | Model 2 | Model 3 |
|---|---|---|---|
| Age | -.226 | -.200 | -.109 |
| Gender | -.039 | -.034 | -.038 |
| Education Level | .046 | .017 | .028 |
| Organizational Tenure | .174 | .269 | .211 |
| Tenure with Supervisor | .043 | -.077 | -.180 |
| Trust in supervisor | | .479*** | .559*** |
| $R^2$ | .021 | .243 | .314 |
| $\Delta R^2$ | .021 | .223 | .293 |
| F | .370 | . 4.667 | 6.623 |
| ΔF | .370 | 25.632 | 37.126 |

*b) Hypotheses testing*

In hypothesis 1, we proposed that trust in supervisor has significant effect on subordinate psychological empowerment. Supporting our hypothesis H1, results of hierarchical linear regression shows that there is significant impact of trust in supervisor on subordinate psychological empowerment ($\beta$ = 479., $p<$ .00,t =5.063). Hypothesis 2 predicted the direct effect of felt trust on psychological empowerment. Controlling for age, gender, education, tenure with current supervisor, and years of prior experience, the hierarchical linear regression show that felt trust lead to psychological empowerment ($\beta$ = .559, $p<$ .00,t =6.093). Thus, hypothesis 2 is supported.

*c) Supplemental analysis*

Although, we have not hypothesize combined effect of trust in supervisor and felt trust on psychological empowerment, we further extend our analysis to test the combined effect. The results of regression analysis shows that there is a significant effect of trust (combine effect of felt trust and trust in supervisor) ($\beta$=., 581$p<$ .00,t =6.504 ) on psychological empowerment.

## V. Discussion

The concepts of trust and empowerment were critical and important considerations in an organization setting. The current study findings provided useful information regarding executives' employees' psychological empowerment in apparel industry. The study findings suggested that the trust in supervisor and felt trust have significant impact on subordinate empowerment.

*a) Theoretical implications*

This study has several theoretical contributions. We contribute to trust literature by examining the effect of trust on psychological empowerment, from two sources of trust, trust in subordinate and felt trust. Most of prior studies focus only on trust in supervisor. However, we tested the effect of trust from two related, but, distinguish sources, i.e., trust in supervisor and felt trust. Thus this study contribute to increase our understanding of supervisor. Since the trust was a salient factor of the smooth functioning of the organization, the current study findings provided an important framework to investigate the contribution of trust to the empowerment perception of individuals (Ergeneli et al., 2007). Moreover, in this study, we examined the effect of trust on important outcome variable, i.e., psychological empowerment. Thus, and the results of this study shows that both trust in supervisor and felt trust positively related to psychological empowerment. This results are consistent with prior studies (e.g. Findikli et al., 2010; Mayer at al., 1995; Mishra et al., 1998; Laschinger et al., 2004) who found positive association between trust and psychological empowerment. Next, the sample of this study based upon executive level employees. Executive level employees are distinguish from other categories of employees as they have subordinates under them and working under supervisors.

*b) Practical implications*

Empowered individuals possessed strong expectations on their own efficacy. They have developed a sense of personal mastery and "can do" attitude regardless of hopes for favorable performance outcomes. In general, empowerment has referred to enabling, and it implied with boosting individuals' convictions in their own effectiveness. Empowerment techniques and strategies that have provide emotional support for subordinates and that formed a supportive and trusting atmosphere can be more effective in strengthening self-efficacy beliefs. In addition to that, the empowerment improved employee commitment, managerial and organizational efficiency and effectiveness, product quality, and performance, thus enabling organizations to adapt to environmental changes. Empowerment practices are useful in motivating subordinates to endure despite difficult organizational and environmental obstacles (Conger et al., 1988).

The present study has demonstrated that, there is a significant impact of trust in subordinate and felt trust on subordinate psychological empowerment. The result emphasized need of strong rapport among supervisors and subordinates in order to empower both



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parties psychologically. Typically, in the apparel industry, employees were in a hectic environment. They do not have much time to build deep relationships with others. Therefore, they do not clearly know others competencies and traits. Thus the majority of employees are frustrated on their subordinate or supervisor. Interpersonal trust accelerates strong relationships. Therefore, establishing and maintaining healthy relationships among supervisors and subordinates was recommended to create a sense of empowerment.

The necessity of empowering subordinates becomes more crucial when subordinates feel they are powerless in their job role. Thus it is important to recognize conditions within organizations that make a sense of powerlessness among subordinates. Once these conditions are recognized, the management can use empowerment strategies and tactics to eliminate those conditions. With the formalization of organizations, the use of control systems was increased. Even though control systems faster the tasks, such systems were hindering the habit of trust others and creativity of employees and ultimately feel of powerlessness. Therefore, we recommend to the managers to create an avenue to encourage employee creativity and employee interaction while align with the control systems of the organization.

Effective communication has provided a flat form to supervisors and subordinates to share their ideas, emotions, difficulties, problems etc. The communication facilitated to both affect and cognition based trust. Cooperative relationships among individuals were primarily based on mutual trust. If the subordinates have the trust and confidence over their supervisors, they ready to go beyond their traditional job role. In contrast, if the supervisors have the trust and confidence over their subordinates they accept risks and ready to go beyond their traditional job role. Therefore, we recommend to promote effective communication within the organization in order to create a sense of empowerment. Moreover, leadership and supervision practices were recognized as a source of empowering individuals. Expressing confidence in subordinates with high-performance expectations, provide opportunities to subordinates to involve in decision making process and allow subordinates work with autonomy were also recommended to create a sense of empowerment.

## VI. Limitations and Avenues for Future Research

Although this research provided an opportunity to obtain a better insight regarding the trust and psychological empowerment, it did not fully address dilemmas in the area of trust and empowerment. The study itself has several limitations. First, the primary data were collected from the executive level employees in a leading garment manufacturing company in Sri Lanka. Thus the study results might not be generalized in different contexts and different professions. Thus, the future researcher should continue to examine the trust and empowerment researches across various cultures and work contexts.

Second, the current study model has viewed the independent variable; the trust only from the subordinate aspect. Trust in supervisor and felt trust were viewed only from the subordinate viewpoint. But the important thing was the interpersonal trust was mutual and reciprocal. Brower et al. (2000), has argued that the importance of investigating the trust relationship in supervisor-subordinate dyad from the perspectives of both supervisor and subordinate. But the current model did not explore the reciprocity in trusting relationships and its impact on subordinate psychological empowerment. Moreover, data collection of this study is limited one point in time. Thus, we recommend future researchers to explore the trust relationship from both supervisor and subordinate aspects over different time points. Third, this relationships can be vary with demographic and social factors. Thus, we recommend future researcher to test our model with moderator variables.

Apart from these limitations, the findings of the present study have provided some evidence that the trust in supervisor and felt trust have influenced on psychological empowerment, thus offering an avenue for further exploration on the relationship between trust and psychological empowerment.

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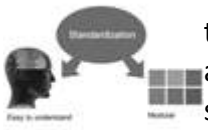
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Global Journals is in partnership with various universities, laboratories, and other institutions worldwide in the research domain. Authors are requested to disclose their source of funding during every stage of their research, such as making analysis, performing laboratory operations, computing data, and using institutional resources, from writing an article to its submission. This will also help authors to get reimbursements by requesting an open access publication letter from Global Journals and submitting to the respective funding source.

## Preparing your Manuscript

Authors can submit papers and articles in an acceptable file format: MS Word (doc, docx), LaTeX (.tex, .zip or .rar including all of your files), Adobe PDF (.pdf), rich text format (.rtf), simple text document (.txt), Open Document Text (.odt), and Apple Pages (.pages). Our professional layout editors will format the entire paper according to our official guidelines. This is one of the highlights of publishing with Global Journals—authors should not be concerned about the formatting of their paper. Global Journals accepts articles and manuscripts in every major language, be it Spanish, Chinese, Japanese, Portuguese, Russian, French, German, Dutch, Italian, Greek, or any other national language, but the title, subtitle, and abstract should be in English. This will facilitate indexing and the pre-peer review process.

The following is the official style and template developed for publication of a research paper. Authors are not required to follow this style during the submission of the paper. It is just for reference purposes.

***Manuscript Style Instruction (Optional)***

- Microsoft Word Document Setting Instructions.
- Font type of all text should be Swis721 Lt BT.
- Page size: 8.27" x 11'", left margin: 0.65, right margin: 0.65, bottom margin: 0.75.
- Paper title should be in one column of font size 24.
- Author name in font size of 11 in one column.
- Abstract: font size 9 with the word "Abstract" in bold italics.
- Main text: font size 10 with two justified columns.
- Two columns with equal column width of 3.38 and spacing of 0.2.
- First character must be three lines drop-capped.
- The paragraph before spacing of 1 pt and after of 0 pt.
- Line spacing of 1 pt.
- Large images must be in one column.
- The names of first main headings (Heading 1) must be in Roman font, capital letters, and font size of 10.
- The names of second main headings (Heading 2) must not include numbers and must be in italics with a font size of 10.

***Structure and Format of Manuscript***

The recommended size of an original research paper is under 15,000 words and review papers under 7,000 words. Research articles should be less than 10,000 words. Research papers are usually longer than review papers. Review papers are reports of significant research (typically less than 7,000 words, including tables, figures, and references)

A research paper must include:

a) A title which should be relevant to the theme of the paper.
b) A summary, known as an abstract (less than 150 words), containing the major results and conclusions.
c) Up to 10 keywords that precisely identify the paper's subject, purpose, and focus.
d) An introduction, giving fundamental background objectives.
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.
f) Results which should be presented concisely by well-designed tables and figures.
g) Suitable statistical data should also be given.
h) All data must have been gathered with attention to numerical detail in the planning stage.

Design has been recognized to be essential to experiments for a considerable time, and the editor has decided that any paper that appears not to have adequate numerical treatments of the data will be returned unrefereed.

i) Discussion should cover implications and consequences and not just recapitulate the results; conclusions should also be summarized.
j) There should be brief acknowledgments.
k) There ought to be references in the conventional format. Global Journals recommends APA format.

Authors should carefully consider the preparation of papers to ensure that they communicate effectively. Papers are much more likely to be accepted if they are carefully designed and laid out, contain few or no errors, are summarizing, and follow instructions. They will also be published with much fewer delays than those that require much technical and editorial correction.

The Editorial Board reserves the right to make literary corrections and suggestions to improve brevity.



## Format Structure

***It is necessary that authors take care in submitting a manuscript that is written in simple language and adheres to published guidelines.***

All manuscripts submitted to Global Journals should include:

**Title**

The title page must carry an informative title that reflects the content, a running title (less than 45 characters together with spaces), names of the authors and co-authors, and the place(s) where the work was carried out.

**Author details**

The full postal address of any related author(s) must be specified.

**Abstract**

The abstract is the foundation of the research paper. It should be clear and concise and must contain the objective of the paper and inferences drawn. It is advised to not include big mathematical equations or complicated jargon.

Many researchers searching for information online will use search engines such as Google, Yahoo or others. By optimizing your paper for search engines, you will amplify the chance of someone finding it. In turn, this will make it more likely to be viewed and cited in further works. Global Journals has compiled these guidelines to facilitate you to maximize the web-friendliness of the most public part of your paper.

**Keywords**

A major lynchpin of research work for the writing of research papers is the keyword search, which one will employ to find both library and internet resources. Up to eleven keywords or very brief phrases have to be given to help data retrieval, mining, and indexing.

One must be persistent and creative in using keywords. An effective keyword search requires a strategy: planning of a list of possible keywords and phrases to try.

Choice of the main keywords is the first tool of writing a research paper. Research paper writing is an art. Keyword search should be as strategic as possible.

One should start brainstorming lists of potential keywords before even beginning searching. Think about the most important concepts related to research work. Ask, “What words would a source have to include to be truly valuable in a research paper?” Then consider synonyms for the important words.

It may take the discovery of only one important paper to steer in the right keyword direction because, in most databases, the keywords under which a research paper is abstracted are listed with the paper.

**Numerical Methods**

Numerical methods used should be transparent and, where appropriate, supported by references.

**Abbreviations**

Authors must list all the abbreviations used in the paper at the end of the paper or in a separate table before using them.

**Formulas and equations**

Authors are advised to submit any mathematical equation using either MathJax, KaTeX, or LaTeX, or in a very high-quality image.

**Tables, Figures, and Figure Legends**

Tables: Tables should be cautiously designed, uncrowned, and include only essential data. Each must have an Arabic number, e.g., Table 4, a self-explanatory caption, and be on a separate sheet. Authors must submit tables in an editable format and not as images. References to these tables (if any) must be mentioned accurately.

**Figures**

Figures are supposed to be submitted as separate files. Always include a citation in the text for each figure using Arabic numbers, e.g., Fig. 4. Artwork must be submitted online in vector electronic form or by emailing it.

## Preparation of Eletronic Figures for Publication

Although low-quality images are sufficient for review purposes, print publication requires high-quality images to prevent the final product being blurred or fuzzy. Submit (possibly by e-mail) EPS (line art) or TIFF (halftone/ photographs) files only. MS PowerPoint and Word Graphics are unsuitable for printed pictures. Avoid using pixel-oriented software. Scans (TIFF only) should have a resolution of at least 350 dpi (halftone) or 700 to 1100 dpi (line drawings). Please give the data for figures in black and white or submit a Color Work Agreement form. EPS files must be saved with fonts embedded (and with a TIFF preview, if possible).

For scanned images, the scanning resolution at final image size ought to be as follows to ensure good reproduction: line art: >650 dpi; halftones (including gel photographs): >350 dpi; figures containing both halftone and line images: >650 dpi.

Color charges: Authors are advised to pay the full cost for the reproduction of their color artwork. Hence, please note that if there is color artwork in your manuscript when it is accepted for publication, we would require you to complete and return a Color Work Agreement form before your paper can be published. Also, you can email your editor to remove the color fee after acceptance of the paper.

## Tips for writing a good quality Management Research Paper

Techniques for writing a good quality management and business research paper:

***1. Choosing the topic:*** In most cases, the topic is selected by the interests of the author, but it can also be suggested by the guides. You can have several topics, and then judge which you are most comfortable with. This may be done by asking several questions of yourself, like "Will I be able to carry out a search in this area? Will I find all necessary resources to accomplish the search? Will I be able to find all information in this field area?" If the answer to this type of question is "yes," then you ought to choose that topic. In most cases, you may have to conduct surveys and visit several places. Also, you might have to do a lot of work to find all the rises and falls of the various data on that subject. Sometimes, detailed information plays a vital role, instead of short information. Evaluators are human: The first thing to remember is that evaluators are also human beings. They are not only meant for rejecting a paper. They are here to evaluate your paper. So present your best aspect.

***2. Think like evaluators:*** If you are in confusion or getting demotivated because your paper may not be accepted by the evaluators, then think, and try to evaluate your paper like an evaluator. Try to understand what an evaluator wants in your research paper, and you will automatically have your answer. Make blueprints of paper: The outline is the plan or framework that will help you to arrange your thoughts. It will make your paper logical. But remember that all points of your outline must be related to the topic you have chosen.

***3. Ask your guides:*** If you are having any difficulty with your research, then do not hesitate to share your difficulty with your guide (if you have one). They will surely help you out and resolve your doubts. If you can't clarify what exactly you require for your work, then ask your supervisor to help you with an alternative. He or she might also provide you with a list of essential readings.

***4. Use of computer is recommended:*** As you are doing research in the field of management and business then this point is quite obvious. Use right software: Always use good quality software packages. If you are not capable of judging good software, then you can lose the quality of your paper unknowingly. There are various programs available to help you which you can get through the internet.

***5. Use the internet for help:*** An excellent start for your paper is using Google. It is a wondrous search engine, where you can have your doubts resolved. You may also read some answers for the frequent question of how to write your research paper or find a model research paper. You can download books from the internet. If you have all the required books, place importance on reading, selecting, and analyzing the specified information. Then sketch out your research paper. Use big pictures: You may use encyclopedias like Wikipedia to get pictures with the best resolution. At Global Journals, you should strictly follow here.



***6. Bookmarks are useful:*** When you read any book or magazine, you generally use bookmarks, right? It is a good habit which helps to not lose your continuity. You should always use bookmarks while searching on the internet also, which will make your search easier.

***7. Revise what you wrote:*** When you write anything, always read it, summarize it, and then finalize it.

***8. Make every effort:*** Make every effort to mention what you are going to write in your paper. That means always have a good start. Try to mention everything in the introduction—what is the need for a particular research paper. Polish your work with good writing skills and always give an evaluator what he wants. Make backups: When you are going to do any important thing like making a research paper, you should always have backup copies of it either on your computer or on paper. This protects you from losing any portion of your important data.

***9. Produce good diagrams of your own:*** Always try to include good charts or diagrams in your paper to improve quality. Using several unnecessary diagrams will degrade the quality of your paper by creating a hodgepodge. So always try to include diagrams which were made by you to improve the readability of your paper. Use of direct quotes: When you do research relevant to literature, history, or current affairs, then use of quotes becomes essential, but if the study is relevant to science, use of quotes is not preferable.

***10. Use proper verb tense:*** Use proper verb tenses in your paper. Use past tense to present those events that have happened. Use present tense to indicate events that are going on. Use future tense to indicate events that will happen in the future. Use of wrong tenses will confuse the evaluator. Avoid sentences that are incomplete.

***11. Pick a good study spot:*** Always try to pick a spot for your research which is quiet. Not every spot is good for studying.

***12. Know what you know:*** Always try to know what you know by making objectives, otherwise you will be confused and unable to achieve your target.

***13. Use good grammar:*** Always use good grammar and words that will have a positive impact on the evaluator; use of good vocabulary does not mean using tough words which the evaluator has to find in a dictionary. Do not fragment sentences. Eliminate one-word sentences. Do not ever use a big word when a smaller one would suffice.
Verbs have to be in agreement with their subjects. In a research paper, do not start sentences with conjunctions or finish them with prepositions. When writing formally, it is advisable to never split an infinitive because someone will (wrongly) complain. Avoid clichés like a disease. Always shun irritating alliteration. Use language which is simple and straightforward. Put together a neat summary.

***14. 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 for your topic. You may also maintain your arguments with records.

***15. Never start at the last minute:*** Always allow enough time for research work. Leaving everything to the last minute will degrade your paper and spoil your work.

***16. Multitasking in research is not good:*** Doing several things at the same time is a bad habit in the case of research activity. Research is an area where everything has a particular time slot. Divide your research work into parts, and do a particular part in a particular time slot.

***17. Never copy others' work:*** Never copy others' work and give it your name because if the evaluator has seen it anywhere, you will be in trouble. Take proper rest and food: No matter how many hours you spend on your research activity, if you are not taking care of your health, then all your efforts will have been in vain. For quality research, take proper rest and food.

***18. Go to seminars:*** Attend seminars if the topic is relevant to your research area. Utilize all your resources.

***19. Refresh your mind after intervals:*** Try to give your mind a rest by listening to soft music or sleeping in intervals. This will also improve your memory. Acquire colleagues: Always try to acquire colleagues. No matter how sharp you are, if you acquire colleagues, they can give you ideas which will be helpful to your research.

***20. Think technically:*** Always think technically. If anything happens, search for its reasons, benefits, and demerits. Think and then print: When you go to print your paper, check that tables are not split, headings are not detached from their descriptions, and page sequence is maintained.

***21. Adding unnecessary information:*** Do not add unnecessary information like "I have used MS Excel to draw graphs." Irrelevant and inappropriate material is superfluous. Foreign terminology and phrases are not apropos. One should never take a broad view. Analogy is like feathers on a snake. Use words properly, regardless of how others use them. Remove quotations. Puns are for kids, not grunt readers. Never oversimplify: When adding material to your research paper, never go for oversimplification; this will definitely irritate the evaluator. Be specific. Never use rhythmic redundancies. Contractions shouldn't be used in a research paper. Comparisons are as terrible as clichés. Give up ampersands, abbreviations, and so on. Remove commas that are not necessary. Parenthetical words should be between brackets or commas. Understatement is always the best way to put forward earth-shaking thoughts. Give a detailed literary review.

***22. Report concluded results:*** Use concluded results. From raw data, filter the results, and then conclude your studies based on measurements and observations taken. An appropriate number of decimal places should be used. Parenthetical remarks are prohibited here. Proofread carefully at the final stage. At the end, give an outline to your arguments. Spot perspectives of further study of the subject. Justify your conclusion at the bottom sufficiently, which will probably include examples.

***23. Upon 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 for 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 of 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 criteria peer reviewers will use for grading the final paper.

**Final points:**

One purpose of organizing a research paper is to let people interpret your efforts selectively. The journal requires the following sections, submitted in the order listed, with each section starting on a new page:

*The introduction:* This will be compiled from reference matter and reflect the design processes or outline of basis that directed you to make a study. As you carry out the process of study, the method and process section will be constructed like that. The results segment will show related statistics in nearly sequential order and direct reviewers to similar intellectual paths throughout the data that you gathered to carry out your study.

**The discussion section:**

This will provide understanding of the data and projections as to the implications of the results. The use of good quality references throughout the paper will give the effort trustworthiness by representing an alertness to 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 progression.

**General style:**

Specific editorial column necessities for compliance of a manuscript will always take over from directions in these general guidelines.

**To make a paper clear:** Adhere to recommended page limits.

*Mistakes to avoid:*

- Insertion of a title at the foot of a page with subsequent text on the next page.
- Separating a table, chart, or figure—confine each to a single page.
- Submitting a manuscript with pages out of sequence.
- In every section of your document, use standard writing style, including articles ("a" and "the").
- Keep paying attention to the topic of the paper.



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- Use paragraphs to split each significant point (excluding the abstract).
- Align the primary line of each section.
- Present your points in sound order.
- Use present tense to report well-accepted matters.
- Use past tense to describe specific results.
- Do not use familiar wording; don't address the reviewer directly. Don't use slang or superlatives.
- Avoid use of extra pictures—include only those figures essential to presenting results.

**Title page:**

Choose a revealing title. It should be short and include the name(s) and address(es) of all authors. It should not have acronyms or abbreviations or exceed two printed lines.

**Abstract:** This summary should be two hundred words or less. It should clearly and briefly explain the key findings reported in the manuscript and must have precise statistics. It should not have acronyms or abbreviations. It should be logical in itself. Do not cite 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 approaches 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. Use comprehensive sentences, and do not sacrifice readability for brevity; you can maintain it succinctly by phrasing sentences so that they provide more than a 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 limit the initial two items to no more than one line each.

*Reason for writing the article—theory, overall issue, purpose.*

- Fundamental goal.
- To-the-point depiction of the research.
- Consequences, including definite statistics—if the consequences are quantitative in nature, account for this; results of any numerical analysis should be reported. Significant conclusions or questions that emerge from the research.

**Approach:**

- Single section and succinct.
- An outline of the job done is always written in past tense.
- Concentrate on shortening results—limit background information to a verdict or two.
- Exact spelling, clarity of sentences and phrases, and appropriate reporting of quantities (proper units, important statistics) are just as significant in an abstract as they are anywhere else.

**Introduction:**

The introduction should "introduce" the manuscript. The reviewer should be presented with sufficient background information to be capable of comprehending and calculating the purpose of your study without having to refer to other works. The basis for the study should be offered. Give the most important references, but avoid making a comprehensive appraisal of the topic. Describe the problem visibly. If the problem is not acknowledged in a logical, reasonable way, the reviewer will give no attention to your results. Speak in common terms about techniques used to explain the problem, if needed, but do not present any particulars about the protocols here.

*The following approach can create a valuable beginning:*

- Explain the value (significance) of the study.
- Defend the model—why did you employ this particular system or method? What is its compensation? Remark upon its appropriateness from an abstract point of view as well as pointing out sensible reasons for using it.
- Present a justification. State your particular theory(-ies) or aim(s), and describe the logic that led you to choose them.
- Briefly explain the study's tentative purpose and how it meets 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 for every section. If you make the four points listed above, you will need at least four paragraphs. Present surrounding information only when it is necessary to support a situation. The reviewer does not desire to read everything you know about a topic. Shape the theory specifically—do not take a broad view.

As always, give awareness to spelling, simplicity, and correctness of sentences and phrases.

**Procedures (methods and materials):**

This part is supposed to be the easiest to carve if you have good skills. A soundly written procedures segment allows a capable scientist to replicate your results. Present precise information about your supplies. The suppliers and clarity of reagents can be helpful bits of information. Present methods in sequential order, but linked methodologies can be grouped as a segment. Be concise when relating the protocols. Attempt to give the least amount of information that would permit another capable scientist to replicate your outcome, but be cautious that vital information is integrated. The use of subheadings is suggested and ought to be synchronized with the results section.

When a technique is used that has been well-described in another section, mention the specific item describing the way, but draw the basic principle while stating the situation. The purpose is to show all particular resources and broad procedures so that another person may use some or all of the methods in one more study or referee the scientific value of your work. It is not to be a step-by-step report of the whole thing you did, nor is a methods section a set of orders.

**Materials:**

*Materials may be reported in part of a section or else they may be recognized along with your measures.*

**Methods:**

- Report the method and not the 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—detail how procedures were completed, not how they were performed on a particular day.
- If well-known procedures were used, account for the procedure by name, possibly with a reference, and that's all.

**Approach:**

It is embarrassing to use vigorous voice when documenting methods without using first person, which would focus the reviewer's interest on the researcher rather than the job. As a result, when writing up the methods, most authors use third person passive voice.

Use standard style in this and 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 as 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. Use statistics and tables, if suitable, to present consequences most efficiently.

You must clearly differentiate material which would usually be incorporated in a study editorial from any unprocessed data or additional appendix matter that would not be available. In fact, such matters should not be submitted at all except if requested by the instructor.



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**Content:**

- Sum up your conclusions in text and demonstrate them, if suitable, with figures and tables.
- In the manuscript, explain each of your consequences, and point the reader to remarks that are most appropriate.
- Present a background, such as by describing the question that was addressed by creation of an exacting study.
- Explain results of control experiments and give 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 manuscript.

**What to stay away from:**

- Do not discuss or infer your outcome, report surrounding information, or try to explain anything.
- Do not include raw data or intermediate calculations in a research manuscript.
- Do not present similar data more than once.
- A manuscript should complement any figures or tables, not duplicate information.
- Never confuse figures with tables—there is a difference.

**Approach:**

As always, use past tense when you submit 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 section.

**Figures and tables:**

If you put figures and tables at the end of some details, make certain that they are visibly distinguished from any attached appendix materials, such as raw facts. Whatever the position, each table must be titled, numbered one after the other, and include a heading. All figures and tables must be divided from the text.

**Discussion:**

The discussion is expected to be the trickiest segment to write. A lot of papers submitted to the journal are discarded based on problems with the discussion. There is no rule for how long an 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 implications of the study. The purpose here is to offer an understanding of your results and support all of your conclusions, using facts from your research and generally accepted information, if suitable. The implication of results should be fully 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 the prospect, and let it drop at that. Make a decision as to whether each premise is supported or 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 an experiment might be personalized to accomplish a new idea.
- Give details of all of your remarks as much as possible, focusing on mechanisms.
- Make a decision as to whether the tentative design sufficiently addressed the theory and whether or not it was correctly restricted. Try to present substitute explanations if they are sensible alternatives.
- One piece of 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 other available information. Present work done by specific persons (including you) in past tense.

Describe generally acknowledged facts and main beliefs in present tense.

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Administration Rules to Be Strictly Followed before Submitting Your Research Paper to Global Journals Inc.

*Please read the following rules and regulations carefully before submitting your research paper to Global Journals Inc. to avoid rejection*.

*Segment draft and final research paper:* You have to strictly follow the template of a research paper, failing which your paper may get rejected. You are expected to write each part of the paper wholly on your own. The peer reviewers need to identify your own perspective of the concepts in your own terms. Please do not extract straight from any other source, and do not rephrase someone else's analysis. Do not allow anyone else to proofread your manuscript.

*Written material:* You may discuss this with your guides and key sources. Do not copy anyone else's paper, even if this is only imitation, otherwise it will be rejected on the grounds of plagiarism, which is illegal. Various methods to avoid plagiarism are strictly applied by us to every paper, and, if found guilty, you may be blacklisted, which could affect your career adversely. To guard yourself and others from possible illegal use, please do not permit anyone to use or even read your paper and file.

## Criterion for Grading a Research Paper (Compilation) by Global Journals

**Please note that following table is only a Grading of "Paper Compilation" and not on "Performed/Stated Research" whose grading solely depends on Individual Assigned Peer Reviewer and Editorial Board Member. These can be available only on request and after decision of Paper. This report will be the property of Global Journals.**

| Topics | Grades | | |
|---|---|---|---|
| | **A-B** | **C-D** | **E-F** |
| ***Abstract*** | Clear and concise with appropriate content, Correct format. 200 words or below | Unclear summary and no specific data, Incorrect form<br><br>Above 200 words | No specific data with ambiguous information<br><br>Above 250 words |
| ***Introduction*** | Containing all background details with clear goal and appropriate details, flow specification, no grammar and spelling mistake, well organized sentence and paragraph, reference cited | Unclear and confusing data, appropriate format, grammar and spelling errors with unorganized matter | Out of place depth and content, hazy format |
| ***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 |
| ***Result*** | Well organized, Clear and specific, Correct units with precision, correct data, well structuring of paragraph, no grammar and spelling mistake | Complete and embarrassed text, difficult to comprehend | Irregular format with wrong facts and figures |
| ***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 |

# INDEX


## *A*

Amendment · 15
Aspirant · 1
Authoritative · 32
Autonomous · 4, 6

## *B*

Bureaucrats · 16

## *C*

Conducive · 16
Consensus · 1, 41
Contagion · 72, 81

## *D*

Decaying · 9
Desirable · 10, 40
Deterioration · 6
Disarray · 33
Divergence · 39

## *E*

Exponential · 32

## *H*

Hectic · 77, 86

## *I*

Implement · 8, 55, 60, 68
Intangible · 21, 23, 25
Integral · 5, 7, 12, 18
Intrinsic · 73, 74, 82, 83

## *O*

Organogram · 4, 6

## *P*

Patriarchal · 15
Penetration · 34, 36, 41
Pertinent · 21, 28
Populace · 39, 40, 41
Prominent · 25, 34, 40
Pursuing · 17

## *R*

Reciprocity · 5, 74, 77, 83, 86
Reflexivity · 16

## *S*

Stewed · 73, 82

## *T*

Tendency · 64, 67, 68
Turbulent · 21

## *W*

Worrisome · 9






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