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# TABLE OF CONTENT

1. Investigating Factors Affecting Poultry Farmers and Poultry Farms Towards Sustainable Development. A Case study of Poultry Association of Zambia Registered Poultry Farmers in Lusaka Province
   Namonze Chilala

2. Improving Client Service Delivery using Standardized Nursing Care Plan: A Case Study of 37 Military Hospital
   Linda Appiah

3. The National Health Insurance Scheme an Alternative Source of Health Care Funding in Nigeria: A Case Study of Borno State
   Largema Bukar

4. Top Management Commitment to Total Quality Management as A Correlate of Customer Satisfaction in the Nigerian Banking Sector
   Oparinde David Olusanjo

5. Analysis of the Adequacy of National Agricultural Policy in Addressing Entrepreneurial Education of Selected Agricultural Training Institutions in Zambia
   John Phiri

   Sadiya Ibrahim Aminu

7. Employee Motivation Incentives and Their impact on The Organization's Productivity
   Jacqueline Aziri

8. Relationship of Work-life Balance and Work Place Performance of Employees in Sri Lanka
   70
<table>
<thead>
<tr>
<th></th>
<th>Title</th>
<th>Author</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Entrepreneurship Uptake A Solution to Unemployment Challenges in</td>
<td>Chaminda Deshapriya Malalasekara</td>
</tr>
<tr>
<td></td>
<td>Developing Countries: A Study of Nigeria</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Impact of e-service Quality on Customer Satisfaction: A Study of</td>
<td>Babalola Samuel Alabi</td>
</tr>
<tr>
<td></td>
<td>Afghanistan International Bank</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Contributions of Foreign Direct Investment of Mining Sector to Economic</td>
<td>Ahmad Shaker Ansari</td>
</tr>
<tr>
<td></td>
<td>Development of Zambia. Study of Konkola Copper Mines</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Opportunities in Achieving High Performance through Contemporary HR</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Practices</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Bank’s Profitability – a Case Study Guyana</td>
<td>Vishvanath K.P.V. Doerga</td>
</tr>
<tr>
<td>14</td>
<td>Corporate Governance and Service Delivery in Healthcare. A Case of</td>
<td>Parmeshwar Budhu</td>
</tr>
<tr>
<td></td>
<td>Gaborone Private Hospital</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Patients’ Satisfaction and Its Determinants in Outpatient and Inpatient</td>
<td>Emuron Joseph</td>
</tr>
<tr>
<td></td>
<td>Departments of Tertiary Hospitals in Ghana: A Literature Review</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>The Presence of Talent Management Practice among the Few Selected</td>
<td>Helena Megameno Nailonga Hakweenda</td>
</tr>
<tr>
<td></td>
<td>State-Owned Enterprises in Namibia</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Evidence in The Banking Industry in Ghana</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Motivation, Productivity Growth, and Business Financial Performance –</td>
<td>Gillow Christopher</td>
</tr>
<tr>
<td></td>
<td>A Scoping Review Approach to Linkages and Impact</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>A Study on Development of Entrepreneurship through Effective Human</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Title</td>
<td>Author(s)</td>
</tr>
<tr>
<td>-----</td>
<td>-------------------------------------------------------------------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>20</td>
<td>Transforming a Small and Medium Enterprise (SME) into an Enterprise Beyond SME level: A Case Study of Mwaiteka Investment</td>
<td>Emmanuel Appiah</td>
</tr>
<tr>
<td>21</td>
<td>Foreign Direct Investment in Agriculture in Zambia has it Brought Tangible Economic Results</td>
<td>Ernest Mubita</td>
</tr>
<tr>
<td>22</td>
<td>Study of Marketing and Processing of Mango Enterprise with a View to Reduce Wastage Among Local Mango Producers in Zambia</td>
<td>Bridget Ngonga</td>
</tr>
<tr>
<td>23</td>
<td>An Investigation into Perception of Internal and External Business Environment by Small Medium Enterprise (SMES) – A case of Maramba Market in Livingstone, Zambia</td>
<td>Mukonde Siafunda</td>
</tr>
<tr>
<td>24</td>
<td>Alcoholism and its Impact on Family and Finance</td>
<td>Diksha Tripathy</td>
</tr>
<tr>
<td>25</td>
<td>Telecommunication Challenges in India: Social Mental Health Perspective 2018</td>
<td>Rajendra P. Joshi Alias Parijat</td>
</tr>
<tr>
<td>26</td>
<td>Livelihood Creation for Handloom Weavers through ‘Unique Recognition in Global Market’ – A case Study of Banaras Brocades and Sarees</td>
<td>Nestor Naabulee Nasage</td>
</tr>
<tr>
<td>27</td>
<td>Kaizen Practice in Ethiopia: Challenges and Opportunities</td>
<td>Abebe Nigatu</td>
</tr>
<tr>
<td>28</td>
<td>An Analytical Study of the Strategies in Overcoming Behavioral Finance</td>
<td>Nestor Naabulee Nasage</td>
</tr>
</tbody>
</table>
Investigating Factors Affecting Poultry Farmers and Poultry Farms Towards Sustainable Development. A Case Study of Poultry Association of Zambia Registered Poultry Farmers in Lusaka Province

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Abstract

This research is based on the study of factors affecting poultry farmers and farms in Lusaka Province, Zambia. The economic value of poultry cannot be underestimated, they are highly contributing in gross domestic product and fast-growing industry providing large number of employment and animal food production in Zambia.

The researcher has seen a gap between farmer, farm and sustainable development. The future of poultry farming is not certain.

Available evidence has shown that there are a number of factors that affect poultry farmers and poultry farms in Zambia which has affected the poultry industry to continue growing.

However, the poultry has been having improvement in some areas such as production despite the negative internal and external factors that has been affecting the industry. As a result of this, the researcher has opted to investigate the factors that are affecting poultry farmers and the factors affecting farms respectively. In order to understand the research question, the research is going to define the key words of the study. Then the factors affecting poultry and farms are given. Followed by the existing solutions for the problem and the best one will be outlined. Limitations and achievements with sustainable development to the study will be discussed. The findings will add to the body of knowledge for other researchers. The findings will be used by researchers to build theories and models that relate the factors to the poultry industry. When the theories are formed will help to sustain the poultry farmer and farm to continue for our future generation to come.

Keywords: Factors, poultry farmers, poultry farms, Sustainable development, Poultry association of Zambia, Zambia.

Introduction

The poultry industry in Zambia contributes about 47 percent of the livestock gross domestic product. About 5 percent of the national gross product. It has created over and over 80,000 jobs. It is the fastest growing sub-sector about 20 percent in the past decade (about 8 percent reduction during 2016). The industry growth is driven mainly by the broiler and layer subsectors. Secondary production is still dominated by the smallholder farmers-accounting for 65 percent while 35 percent is by medium, larger, commercial and corporate. Poultry development has also driven the growth of the poultry feed subsector, soya beans and grains.

Definition of keywords

Factor - a factor is one of the things that affects an event, decision, or situation. (collinsdictionary.com) is a circumstance, fact, or influence that contributes to a result.”

Poultry according to learner’s definition is “birds (such as chickens and ducks) that are raised on farms for their eggs or meat” (merriam-webster.com)

Poultry farmer is “someone who raises domesticated birds such as geese, ducks, turkeys or chickens for the purpose of farming meat and eggs for sale and consumption. A poultry farmer typically raises a
single type of poultry, with more than half of the poultry farming industry raising chickens. A poultry farmer is a specialized type of farmer. Also known as: Turkey Farmer, Chicken Farmer, Duck farmer, Goose farmer. (www, sonaku.com). However, in this study, the researcher is going to focus at the chicken farmer.

**Sustainable Development** has been defined in many ways, but the most frequently quoted definition is our common future, also known as the Brundtland report:

“The sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Sustainability is the foundation for today’s leading global framework for international cooperation-2030 Agenda for Sustainable Development Goals (SDGS).

**Poultry association of zambia and its role**

According to a presentation by poultry Association of Zambia on 26 April 2017, it stated that:

- This association was established in 2000, with currently 7000 registered members out of the 30,000 potential farmers.
- Foot prints in about 32 districts out of 110 districts.
- Mouth piece for the poultry industry the poultry allied industry.
- Lobby’s and advocates for conducive policies for poultry farmers.
- The association gathers critical poultry information significant for investment decision in the sector.
- It also provides technical information to farmers and other members allied to it.

**Zambia**

**Background of zambia**

Zambia is a landlocked country in Africa. It is situated on high plateau in south-central Africa and Zambia, landlocked country in Africa. It is situated on high plateau in south-central Africa and takes its name from the Zambezi river. Which drains all but a small northern part of the country. Large parts of the country are thinly populated. Much of population is concentrated in the country’s most developed area known as the line of rail, which is served by the railway linking the copper belt with Lusaka the capital, and with the border town of Livingstone.
What is sustainable development?

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Background of poultry study

There are many factors that have identified by the research. There are internal and external factors. According to Mwape N. (2017, p2) affirms that the poultry industry has recorded a sharp drop in egg production of 26 percent (while the broiler subsector fell by 4.8 percent during the economic trough experience in 2016. (Mwape 2017).

According to poultry Association of Zambia, in the egg subsector. 1.99 million chicks were produced last year compared to 2.34 million chicks were produced last year compared to 2.34 million in 2015. The total volumes of chickens and eggs sold on the Zambian market dropped and also the selling prices for poultry products dropped. This situation was mainly due to the eroded purchasing power of customers. (IBID).

Production costs like feed, fuel, equipment and other inputs went up, mushrooming of unregulated fees and levies emerging in different district councils that are adding cost to the industry. Avian influenza is a disease that poultry farmers are under intense threat due to the rate at which the disease is spreading. He called for enforcement of high-level bio-security and hygiene practices as a precautionary measure. (Sosala R.2017)

Factors affecting poultry farmers

The poultry sector in Zambia is the largest contribution to livestock GDP contribution about 42% PAP (2011) which is thus an important industry which needs to be harnessed and developed to international standards. Despite the fact that most layers and broilers are on commercial farms, the number of households that rely on poultry as their main source of income is significantly high amongst the small-scale producers.
IAPRI (2011). This is the reason we have seen increased traders of both eggs and broilers on our local markets that product their flock under the backyard system. (Harad. C. L 2013).

Commercial farmers are usually integrated in Zambia as they produce for ready markets which are usually mega Supermarkets like Shoprite, spar and pick and pay under contracts. Commercial farmers go further in production as they process the birds by slaughtering them then packing them as assorted chickens as per requirement by the supermarkets. The same scenario applies for layers. The eggs cleaned and packed in branded trays then distributed to the supermarkets.

Some of the factors faced by poultry farmers according to Lungu (2011) are as follows:

Gender, Age, level of education, household size, farm gate price, marketing challenges, levels of management, production costs, market outlets and labours. (Lungu C.H 2011).

The increase in chicken feed is likely to push some poultry farmers out of business if there are no measures to reduce the impact (Mupeseni K. 2015).

Furthermore, Mupeseni continues to say that according to the poultry Association of Zambia. (PAZ). Says the rising costs of feed have left a lot of small and medium poultry farmers considering suspending their operations cost on feed now.

The rising cost of feed has resulted in most small and micro farmers who represent a significant number of the industry unable to meet their overhead costs of sustaining the operations. (Mbale Tryness 2018).

Due to the open market system in the country the price some farmers are considering suspending their farm operations with feed pegged as K275 for broiler starter feed. It has been predicted by industry players that if the present crisis is not addressed and the market forces do not control the situation, a lot more farmers may be forced out of the market, which may result in reduced supply of eggs and chickens (IBID).

Unregulated fees and levies by district councils which are increasing costs to the industry and making it uncompetitive. (IBID).

A commercial poultry farm and eggs production company may face challenges such as the economic downturn that can impact negatively on household spending, bad weather, cum natural disasters (draughts, epidemics) unfavorable government policies and the arrival of a competitor (a commercial farm that engages in the rearing of chickens and other birds) within the location. (IBID).

Technology play affects a poultry farmer in housing where faster growth and higher feed conversion ratio due to proper housing achieved and in order to increase productivity crossbreeding (using local and exotic varieties is done.

Integrate pest and disease management (PDM) for both crop production and livestock production (chicken, livestock) is also an important practice.

**Description of the site**

In this chapter, the research design, the target population, the sample size, the sampling population process, the data collection methods and instruments, the validity and reliability of the data and methods which will be used for data analysis will be discussed, ethical consideration and operationalization variables.

**Research design**

The study will adopt a descriptive design approach. This is because the objective will be to obtain some insights into the factors that determine poultry farming in the study area of Lusaka province in Zambia.

Secondly, the design is preferred because it is regarded as systematic. Thirdly, the design will contribute to a deeper insight and better understanding for the research problem an accurate and fair interpretation of results.

Lastly, the design will be flexible enough and therefore allow the respondents to raise issues with the researcher in relation to some questions and matters, which will be not be clear in the questionnaire or during the interview process.
Target population

since the aim of the study is to determine the factors that influence poultry farmers in Lusaka province. Data required for determining the factors will be obtained from poultry farmers who are registered with the poultry association of Zambia in Lusaka province Zambia. Approximately 7000 registered members out of 30,000 potentials (PAZ 2017).

According to the case study one hundred and fifty (150) people will be targeted as sample of the study from four (4) selected villages within Shimabala in Kafue of Lusaka province. Although, the Poultry Association of Zambia has 7000 registered member and 30,000 potential farmers (PAZ 2017). Out of the targeted population, the researcher will prepare 100 structured questionnaires to support the focus group discussion.

Description of the experiments done

The researcher read articles, document that gave information about factors that affect poultry farmers and the factor that affect farms and also a document on sustainable development was reviewed.

The researcher is going to use the following data collection methods primary and secondary data.

Secondary data collection

Secondary data consists of information in relation to poultry farming obtained from journals, books, magazines, ministry of agriculture of Zambia publication, poultry association of Zambia, statistical abstracts, and economic surveys and from any other already documented information.

Primary data collection

Primary data, which is data collected from the source will solicited by means of research instruments such as questionnaires and interviews.

Questionnaires

Before embarking on the actual research, questionnaires will be constructed and a pilot study will be conducted in one of the nearest villages in Shimabala area, near to where the researcher stays to enable the researcher to test the validity and reliability of the research instruments to be used in the data collection exercise. Another reason for the pilot test is that it will enable the researcher to familiarize he/herself on what kind of feedback to get from the respondents and to make necessary adjustments to the research instruments where certain matters are not clear to the respondent.

Description of the laboratory methods

The methodology employed by the researcher in this paper, is by use of secondary data and observation. Research was done on internet from reliable sites and documents using simple random sampling methods.

The data collected will be analyzed using the qualitative and quantitative data analysis.

Qualitative analysis

Qualitative analysis takes the form of calculation of percentages, mean, range, standard deviations analysis of variance and covariance (ANOVA and ANACOVA), and presentation in the form of tables.

Quantitative analysis takes the form of multiple regression analysis to test the relationship between the independent variable (the output in terms of volume of sales in Kilograms produced) and the independent variables, inputs used (quantity of feeds, labour hours expended, quality of vaccines administered, quantity of energy used in terms of kilowatts). The relationship between output of the poultry farm and socio-economic characteristics will be established by running regression analysis. The parameter estimates will reveal the extent of the relation of the dependent variable and the independent variables, inputs and the socio-economic characteristics.
Description of the statistical methods used

In analyzing the data, the researcher used the dependent variables to up with the independent variables.

Description of the experiments done

Factor affecting poultry farmers

There are many factors that have identified by the research. There are internal and external factors.

Internal factors affecting a poultry farmer

1. Facility for communication with the customer like getting information about the quality of the poultry product, packing information and many others
2. Leadership is managed by general management,
3. Relationship with customer is either good or bad.
4. Impact of import products.

![Internal factors affecting poultry farmers](image)

**Figure 1.** Internal factors affecting a poultry farmer

External factors affecting a poultry farmer

1. Service of the suppliers
2. Competitors
3. Customer bargaining
4. There is also a big threat of new entrant in the industry.
Factors affecting the farm

Most of the poultry farms face a lot of problems due to the following factor:
1. Lack of strategic management plan
2. Lack of vision and mission
3. Lack of total quality management
4. Lack of product innovation
5. Lack of operation and service efficiency.
Table 1. Summary of the Factors

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<thead>
<tr>
<th>Internal factors affecting poultry farmers</th>
<th>External factors affecting poultry farmers</th>
<th>Factors affecting the poultry farm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of facilities for communication with the customer like getting information about the quality of the product, packing information.</td>
<td>Service of the supplier</td>
<td>Lack of strategic management plan</td>
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<tr>
<td>Leadership is managed by the general management</td>
<td>Competitors</td>
<td>Lack of vision and mission</td>
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<tr>
<td>Lack of good relationship with the customers.</td>
<td>Threat of new entrant in the industry.</td>
<td>Lack of total quality management</td>
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<tr>
<td>Impact of import products on the market.</td>
<td>Customer bargaining</td>
<td>Lack of operational and service efficiency</td>
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<td>Huge impact of political, legal, economic, social, ethical and technological</td>
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Discussions

The study has shown that there a lot of factors affecting both the farmer and farm. The external factor is more pressing on the farmer than the internal factors. The internal factors such as lack of training can be easily managed by the farmer unlike the external factors which are beyond their reach. While the factors affecting the farm, some can be managed by the farmer while some cannot.

Conclusion

In conclusion, factors affecting poultry farmers and farms may be a lot but there are other factors factors that need to take care of, hence the need for a further research and theories in order for the poultry industry to be sustained in Zambia. The researcher recommends a further research to come with theories that will help to sustain the industry so that the generations to come will benefit.

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Improving Client Service Delivery using Standardized Nursing Care Plan: A Case Study of 37 Military Hospital

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Abstract

To determine the effect of standardized nursing care plan on the quality healthcare delivery. Using a deductive approach, the experiment would test the hypothesis ‘If electronic health records (EHR) improve quality of health care, then the use of standardized (electronic) nursing care plans would improve client services in health delivery’. The experiment was conducted over 15 working days. Pre and post-implementation feedback from participants selected by cluster sampling was documented and analyzed. Cochran’s modified formula was used to calculate 66 participants to reflect the total population of nurses who actually work on the wards and provide care for admitted patients in the 37 Military Hospital. This cross section of the nursing population plan care and render health services on Medical and Surgical Wards that admit female and male clients and the Dialysis Unit that also plans care for acute and chronic patients of both genders. The study revealed that 58 (87.9%) were of the opinion that LASNCP would be an effective strategy to promote use of nursing process, 59 (89.4%) agreed an online version would help nurses to use care plan, and 62 (93.9%) respondents agreed LASNCP can improve the quality of nursing care patients receive thus accepting the alternate hypothesis. Uptake and utilization of standardized nursing care plans to improve client service delivery is recommended.

Keywords: client service delivery; Standardized Nursing Care Plan; electronic health records; quality of health care.

Introduction

Nursing care plans (NCPs) help plan appropriate care needs for individual patients and also serve as a document that can help with auditing interventions rendered. Most importantly it is a communicative tool that helps the health team members interact effectively. Herold –Majumdar et al. in 2016 stated that health-care providers invest substantial resources for NCP and documentation. They recommend purchasing electronic or paper-based tools, and licenses as well as training nurses. Dawn Papandrea in January 2018 stated in her article that is to ensure all healthcare team members are receiving and planning for patient with same goals and no contradictions, a care plan is needed.

Bodeheimer and Sinsky (2014a) suggested that health team documenting part or all information into EHR as it has been associated with staff satisfaction, improved revenues and equipped them to better manage early discharged patients. Hence a well-structured Nursing Care Plan in paper base or an electronic format would enhance effective communication and promote quality health care delivery. This could also promote Nurses compliance to use the nursing process for the health needs of a patient.

Information and Communication Technology (ICT) is recommended by researchers that it improves quality of patient-centered healthcare care and educates health team members. They think if strategies are used to facilitate their implementation and their integration into nursing care, more benefits could be yielded and negative eliminated to support nursing care thereby improve patient outcomes. (Rouleau et al. 2015).
Literature review

A descriptive study on challenges associated with the implementation of the nursing process from 1970 to 2013 by Zamanzadeh et al in 2015 revealed several challenges. Their study revealed that Nurses lacked proper knowledge on the idea on how to implement the process. They also found lack of time to implement the process and the contrast between using the nursing process during clinical practice and when being taught in school. Other relevant challenges included time needed to obtain the earliest history of the patient to help formulate nursing diagnosis. Another challenge they found, was related to the process of recording steps of the nursing process, though some nurses agreed on the use of the nursing process being time consuming; it is reported that another study (Keenan et al. 2008, and Rouleau et al. 2017) showed influenced usage of the nursing care planning system when it was computerized.

With my experience as a Nurse Educator and widely published literature confirmations (Hagos et al. 2014), I have realised that student and ward nurses find it a challenge to develop nursing care plans and implement the nursing process during their clinicals to render care services. They are however assigned supervisors and guided to successfully use it during case study on patient care. Though the benefits are widely known and its usage compulsory for the partial fulfilment and award of a diploma certificate, when students complete their two (Nursing Assistant Clinical-NAC) or three years standard training programme as a Registered Nurse (RN), they hardly utilize the nursing care plan on the wards when employed. Nurses need to overcome these challenges and use this NCP, encompassed in the nursing process and other Evidence-Based Practices to improve nursing care rendered. Hence, if a standardized nursing diagnoses tool that is user friendly results in quality health care delivery, then the use of electronic nursing care plans would also be useful for improved client service delivery. Monsen et al. in 2011 published in their article that SCP’s enabled a thorough assessment of the condition, gave appropriate description of goals and outcomes desired. Though their goals were to assess effectiveness of SCP and prevent readmission, they reported a large gap in use of NCPs which had published standards or guidelines as it did not provide solutions. They also found that EB-SCPs provide a shared standard for use in practice and future home care research and that the process could be an exemplar for development of EB-SCP’s standards to be used for assessment and documentation to support global population health and research. Poder et al in 2015 said the use of SNCP could help Nurses comply to evidenced-based client care and thereby improve care and safety. They specifically concluded that electronic versions of the standardized care plan improved documentation of clients diagnosed with stroke within the first few days for stroke victims. In 2008, Dahm and Wadensten reported that majority of the Nurses surveyed believed that SCP’s facilitate high-quality care and agreed would reduce time spent on documentation, though they felt the need for all nurses to be trained on how to use them. Jeff Rater in 2017 reported that standardised care plan must incorporate individual needs and limitations to actively involve patient in their care. He also stated that using standardized assessment and goals with the experiences of care giver would facilitate best practices for optimal client care. Bodeheimer and Sinsky in 2018b recommended ‘Quadruple Aim’ that is; 1. Improving the work life of health care providers, including clinicians and staff. 2. Improving the patient experience of care (including quality and satisfaction). 3. Improving the health of populations. 4. Reducing the per capita cost of health care. As burnout of workforce would lead to dissatisfaction of patient and eventually increase cost. Therefore, health equity or achieving joy at work can be facilitated with tools (standardized nursing care plans) to ease planning and implementing care for patients. Leslie Small (2015) also advocates for quadruple aim for better health and lower cost.

As a practising Nurse Educator, I have the privilege of hearing first hand complaints from trainee nurses about their difficulties in applying the nursing process (care plan) concept at the clinical area. The staff nurses catalogued their challenges in formulating Nursing Diagnosis, implementing interventions and documenting the nursing care plan at the wards. This challenge often inhibits their ability to adhere strictly to using the care plan as a standard tool for providing standardized individual nursing care. I understand the nursing care plan to be ideal to guide Nurses provide care for patients based on their health concerns needs or problems using a systematic scientific approach; in this case a Standardized Nursing
Language (SNL) which provides special terms for clinical judgements realised during assessment of a client. This taxonomy provides continuity and communicates the wholistic care collaborated by nurses and clients to improve the quality of care rendered. However the SNL remains a challenge and though most needed nursing care are being rendered, the concept of the nursing diagnosis terminologies to be formulated momentarily and documented become the hindering blocks to students and some practitioners alike.

The term (nursing diagnosis) is formulated based on the health problem and related to a cause or another health problem as they are rarely independent. For instance, a physiological problem of a system (risk for unstable blood glucose level) could be related to another system or a causative problem (insulin deficiency, deficit knowledge, and or sedentary activity). This then helps to identify and determine the appropriate intervention in order of priority. It is also true that, wrongly relating a problem would result in wrong intervention and subsequent poor outcome. This research involves 66 practising clinical nurses selected from clusters representing 13.75 percent of the total population of qualified nurses (480) in the hospital. Their input would be analyzed to facilitate the application of this new standardized care plan adopted from Gordon’s functional health patterns developed in 1987 (Table 1). Their feedback would help determine if introducing standardized nursing care (appendix 1) and subsequently plan care would facilitate its easy usage at the clinical area and improve quality of care. This project could be duplicated worldwide to increase the utilization of nursing care plans at the clinical setting, provide reliable information and communicate health needs and interventions warranted. Above all, it would help in auditing nursing care as well as assessment, monitoring and evaluation of care rendered. These achievable goals would ultimately go to improve the level and quality of nursing care delivery to clients.

Table 1. Gordon’s functional health patterns (nursing theories, Sept. 2013)

| 1. Health Perception Health Management Pattern |
| 2. Nutritional Metabolic Pattern |
| 3. Elimination Pattern |
| 4. Activity Exercise Pattern |
| 5. Sleep Rest Pattern |
| 6. Cognitive-Perceptual Pattern |
| 7. Self-Perception-Self-Concept Pattern |
| 8. Role-Relationship Pattern |
| 9. Sexuality-Reproductive |
| 10. Coping-Stress Tolerance Pattern |
| 11. Value-Belief Pattern |

Gordon’s functional health pattern also provides holistic care under eleven categories as tabulated in Table 1. The taxonomy II of NANDA nursing diagnosis is derived from Gordon’s functional health pattern which was first developed in 1987 but since 2002 Nanda International (Nanda-I) continually revises standardized nursing diagnostic terminology to facilitate its usage.

The Nanda-I system of nursing diagnosis however provides for four different areas. First is the ‘actual diagnoses. An example of which is: Sleep deprivation, depicting an existing finding found during a clinical judgment about human physiological responses to health conditions and life processes. The second area being a ‘potential occurrence’ because of human exposure to hazard and or increased susceptibility to respond adversely to exposed risk. An example being: Risk for shock. A third area Nanda-I also provides for is a ‘health promotion diagnosis’. An example being, readiness for enhanced nutrition. This is also based on findings upon assessment that a person, family or community expresses the desire to improve their wellbeing with specific positive health behavior. The fourth area they formulate is ‘syndrome diagnoses’ where a clinical judgment describes a specific group of nursing diagnoses that may occur together and are best managed with similar interventions. An example being, Relocation stress syndrome. Yilmaz et al. in 2015 published Nanda-I nursing diagnosis (table 2)
determined by students during a study according to Gordons functional health showing four areas attended to. Values-beliefs and sexuality-reproduction nursing diagnosis were not formulated. The Omaha system amongst others also exists based on researches conducted in 1975 and 1993. It consists of: Problem Classification Scheme (client assessment); Intervention Scheme (care plans [no longer accepted] and services); Problem Rating Scale for Outcomes (client change/evaluation). It aims for easy data collection, documentation on health care team interventions, client strengths and needs to improve care.

Nursing Practice (ICNP); Nursing Minimum Data Set (NMDS); Nursing Intervention Classification (NIC); Critical Care classification (CCC); Nurse-Midwifery Clinical Data Set (NMCDS); Nursing Data Dictionary (NDD) (Monsen et. al 2011). These wide ranges of classifications and terminologies could lead to more confusing and varied standardization of care plans. Different standardised methods, terminologies and classifications exist for instance, International Classification for the lean sigma six methodology approaches would help develop a new standardized care plan. This methodology as explained by Grave in 2014 being: Define, Measure, Analyze, Design and Verify (DMADV) has a lot in common with the elements of the existing nursing process: Assessment, Diagnosis, Planning, Implementation and Evaluation (ADPIE) as with the Nanda-I nursing diagnoses process. In that Assessment, Diagnosis and Define attempt to explain the problems (define) faced in the situation from data gathered. Planning just like Measure and Analysis implies stating desired, achievable and realistic goals that can be measured and would be a solution to the problem. Implementation in ADPIE is to undertake or put into practise those measures planned that would best provide solutions and Design in DMADV. It also discusses available best methods analysed that would best solve the problems. Finally, Evaluation just like Verification is when desired goals are assessed to know if implemented plans or designs have been attained or there is need for modification. Bhaskar et. al in 2012 reported increased productivity and customer satisfaction and general improvement in all departments that use sigma six methodology to address their challenges.

**Table 2. Nanda diagnosis**

<table>
<thead>
<tr>
<th>NANDA diagnosis determined by students according to Gordon's functional health Patterns</th>
<th>N (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health perception- management</td>
<td></td>
</tr>
<tr>
<td>Risk for contamination</td>
<td>90 (10.0)</td>
</tr>
<tr>
<td>Risk for falls</td>
<td>18 (2.0)</td>
</tr>
<tr>
<td>Risk for bleeding</td>
<td>15 (1.7)</td>
</tr>
<tr>
<td>Contamination</td>
<td>9 (1.0)</td>
</tr>
<tr>
<td>Nutritional- metabolic pattern</td>
<td></td>
</tr>
<tr>
<td>Imbalanced nutrition – less than body requirements</td>
<td>57 (6.4)</td>
</tr>
<tr>
<td>Excess fluid volume</td>
<td>32 (3.6)</td>
</tr>
<tr>
<td>Nausea</td>
<td>32 (3.6)</td>
</tr>
<tr>
<td>Impaired skin integrity</td>
<td>28 (3.1)</td>
</tr>
<tr>
<td>Impaired oral mucous membrane</td>
<td>21 (2.3)</td>
</tr>
<tr>
<td>Risk for impaired skin integrity</td>
<td>18 (2.0)</td>
</tr>
<tr>
<td>Hyperthermia</td>
<td>13 (1.4)</td>
</tr>
<tr>
<td>Deficient fluid volume</td>
<td>10 (1.1)</td>
</tr>
<tr>
<td>Risk for impaired oral mucous membrane</td>
<td>9 (1.0)</td>
</tr>
<tr>
<td>Interrupted breastfeeding</td>
<td>8 (0.9)</td>
</tr>
<tr>
<td>Risk for imbalanced fluid volume</td>
<td>6 (0.7)</td>
</tr>
<tr>
<td>Unstable blood glucose</td>
<td>6 (0.7)</td>
</tr>
<tr>
<td>Imbalanced nutrition - more than body requirements</td>
<td>4 (0.4)</td>
</tr>
</tbody>
</table>

**Elimination**

| Constipation | 34 (3.8) |
| Diarrheal | 11 (1.2) |
| Risk for constipation | 9 (1.0) |
| Functional urinary incontinence | 6 (0.7) |

**Activity - exercise pattern**

| Activity intolerance | 60 (6.7) |
| Fatigue | 26 (2.9) |
| Total self-care deficit | 17 (1.9) |
| Ineffective breathing pattern | 17 (1.9) |
| Ineffective airway clearance | 17 (1.9) |

**Sleep - rest pattern**

| Disturbed sleep patterns | 61 (6.8) |

**Cognitive - perceptual pattern**

| Pain | 90 (10.0) |
| Deficient knowledge | 27 (3.0) |
| Acute confusion | 6 (0.7) |

**Self-sensing, self-concept pattern**

| Anxiety | 60 (6.7) |
| Disturbed body image | 16 (1.8) |
| Powerlessness | 14 (1.6) |
| Fear | 4 (0.4) |

**Role - relationship pattern**

| Social isolation | 8 (0.9) |

**Sexuality - reproductive pattern**

| Coping - stress tolerance pattern |  |
| Ineffective coping | 8 (0.9) |
| Value - belief pattern* |  |

**Other diagnoses**

| 32 (3.6) |

**Total**

| 897 (100) |
These include risk for trauma, risk for vascular trauma, ineffective health management, risk for aspiration, risk for unstable blood glucose, ineffective tissue perfusion, impaired spontaneous ventilation, impaired cardiac output, impaired walking, sedentary lifestyle, self-neglect, impaired comfort, impaired memory, risk for loneliness, hopelessness, impaired verbal communication, interrupted family processes, and risk for suicide. Yilmaz, et al. (2015).

The aims of health care organizations worldwide include improving the quality of health care services to improve customer experience and achieve satisfaction. In the quest to improve health care and client service delivery, the introduction of electronic health record (EHR) and standardized tools promises to be beneficial worldwide. In coming up with this research proposal and measures taken to meet best practice and standard requirements, Sample Care Plans from the Cardiothoracic Unit and Surgical Department in the Korle Bu Teaching Hospital as well as that from the Intensive Care Unit of the 37 Military Hospital were understudied. These Sample Care Plans were found to be adopted from Scotland and South Africa and adapted to suit the Ghanaian setting. Online literature was reviewed to know the general trend and international best practice adopted in the design and types of care plans was also helpful. This experiment would employ the participation of clinical nurses and clinical supervisors to introducing a newly designed standardized care plan (Appendix 1). Their feedback would provide needed information and data. This would evaluate the hypothesis: If EHR will improve quality of health care delivery, then the use of standardized (electronic or paperbased) standardized nursing care plans will be useful for improving client services in health delivery’.

**Methodology**

**Study design**

As part of this evidence-based study, in collaboration with my supervisors and the clinical nurse practitioners I would develop a standardized nursing care plan which would be based on the Nanda-I and Gordon’s functional health pattern and concepts adopted from care plan charts reviewed. The sample of Nurses for the study would be selected through cluster sampling (figure 1). The LAppiah Standardized Nursing Care Plan (LA SNCP) tool would be administered to randomly selected Nurses on selected specific wards in the 37 Military Hospital. They would be asked to use the tool to plan care for their admitted patients and a questionnaire also given for documentation with feedback from this experiment conducted to test the hypothesis and help answer questions this research study seeks to find.

![Cluster sampling](https://research-methodology.net/sampling-in-primary-data-collection/cluster-sampling/)

**Figure 1. Cluster sampling**

Retrieved from:
Data collection

A questionnaire was also used to collect additional data. During the experiment, a questionnaire was be given prior to the administration of a LASNCP (independent variable). The section ‘A’ and ‘B’ part of the questionnaire (Appendix 2) would be filled first prior to the experiment. This would help gather data on their professional status and bio-data, as well as their views on the existing nursing care plans. Data analysis was by Microsoft Excel xlsx. The LAAppiah Standardized Nursing Care plans (Appendix 1) would then be introduced to the nurse participants with brief directives on how to use it. They would be directed to use the care plan for at least five working days. Views and compliance on use of the nursing care plans would be ascertained through their feedback that would be solicited from the administration of a questionnaire. Amendments or variations would be made to the SNCP and re-administered to plan care for another 5-10 days. -The section ‘C’ of the questionnaire would then be filled by participants and feedback would be analysed to prove or disprove the research hypothesis: ‘if the use of standardized electronic or paper based nursing care plans would improved client services in health delivery’.

Target populations and study sample

The sampling design process would be carried out with these five steps: population define; determination of sampling frame; selection of the sampling technique; determination of the sample size, and execution of the sampling process (Ragab, M. A. F. and Arisha A. 2017). The study would be conducted at the 37 Military Hospital on Nurses who in the clinical setting plan and provide care for patients admitted on the selected wards in the military Hospital. ‘Bandoh A’ and ‘Bandoh B’ (Medical Ward), ‘Tamakloe Ward’ (Surgical Ward), Dialysis Unit, ‘Neuro Ward’ (Surgical Ward), mixed ward (male and female) would be selected as the as sampling frame. These various categories selected (clusters); Wards and Units represented reflect the care-settings where admitted patients receive care. This process of cluster sampling reduces cost of the research and improves sampling efficiency levels. Primary data would be collected from the participants randomly selected from the groups of Nurses (in the selected wards) providing care in the clinical setting. Though cluster sampling may not reflect the diversity in the sampling frame and have higher sampling error than other techniques and it would help draw valid inferences from the general population.

Sample size and sampling process

The Medical and Surgical Wards, including the female and male representative Wards to present a cross section work area the nursing population plan care for patients, Dialysis Unit Nurses who render care to a mixed gender with varied conditions would also be sampled. Then random selection of participants (volunteers) in these selected clusters would be included in the study. Probability sampling is commonly used in cases of the questionnaire survey because it removes bias and maximizes the external validity. For reliable insights from the research study, an ideal sample size needs to be sampled.

A pilot study on 20 participants the greater number instead of 9% of projected final sample (65) that would have yielded 6 participants for pilot study, as explained in Cocks rule of thumb (M. Conroy, 2016). The pilot study was conducted to test the validity of the questionnaire and LAAppiah Standardised Nursing Care Plan and slight amendments made to the tools. The Cochran formula allows you to calculate an ideal sample size to represent the population with desired levels of precision and confidence. It is however, considered especially appropriate when researching large populations, though a modified Cochran formula for sample size in smaller populations would be used. Taro Yamane’s formula appears to be simpler for finite populations but outdated. The sample size was determined by.
Cochran’s formula

\[ n_0 = \frac{Z^2pq}{e^2} \]

- Where \( e \) (margin of error) is the desire level of precision
- \( p \) is the (estimated proportion of the population which has the attribute in question)
- \( q \) is \( 1-p \)

As there is not much documented information on participants about their use of nursing care plans, a maximum variability population would be estimated as 50% \( (p=0.5) \)

For a 95% confidence level (gives Z values of 1.96, per the normal tables), so that the probability of samples estimated, 95% could be expected to be included in the population parameter.

and at least 5% plus or minus error \( (e, 0.05) \).

therefore, sample data is \( = [1.96]^2 \times (0.5)(0.5)] / (0.05)^2 = 385 \)

As the total populations of nurses being sampled in the clusters are 77 a Cochran’s modified formula to calculate for smaller sample size is used.

\[ n = \frac{n_0}{1 + \frac{(n_0 - 1)}{N}} \]

Where
- \( n_0 \) is Cochran’s recommended sample size
- \( N \) is the population size
- \( n \) is new sample size.

Therefore, new sample size would be

\[ 385 /[1+((384/78)] = 66 \]

The study period is estimated be from 30th October to 22nd November 2018 when permission is granted. Due to the nature of work shifts and timings, the tools would be made available for all shifts with simple and clear instructions attached, my telephone number and contact details if further clarification required. The actual target population will be nurses trained to use care plans.

Inclusion criteria

All Clinical Nurses including Orientation Nurses (staff nurses on rotation) on duty within the selected wards that volunteer to participate and give their consent would be included in the study sample.

Ethical considerations

Ethical approval will be obtained from the 37 Military Hospital Institutional Review Board and the Institutional Review Committee at the Texila American University, India.

Informed consent and permission will be obtained from Departmental heads and study participants before data collection. Data will be stored for five (5) years before destroyed by shredding. Quantitative data will be stored in a safety box under lock and key or on a password protected drive. Any other ethical issues or discomforts that may arise during study will be identified and discussed with involving participants and same amicably addressed with available resources and options.

Findings

The study on 66 Nurses on improving client service delivery using standardized nursing care plan (LASNCP) yielded results consistent with existing research findings and a good initiative to quality
health care. The findings experiment conducted over 15 working days would be communicated through a publication of the survey undertaken in the Texila (institution’s) Journal and a copy of study results and Standardized Care plan would be given to the In-Service Coordinator to adopt for the hospital if successful. Copies would also be given out to the Ghana Nursing and Midwifery Council (NMC) for publication and adaptation if validated. An opportunity would be sought to present it at the annual conference of the West African College of Nurses (WACN).

![Figure 2. Age range of respondents](image)

![Figure 3. Gender](image)

**Discussion on findings**

The findings are relevant for planning and improving services to client to attain client and nurse satisfaction. Experiment was conducted with 66 Nurses on use of LAPPIAH STANDARDIZED NURSING CARE PLAN consistent with NANDA-I Taxonomy II and Gordon’s functional health patterns. Prior to the main study, a pilot study was carried out with 20 Nurses to determine any possible difficulties in using the newly developed LASNCP tool and questionnaire. Majority (90.9%) are practicing as general nurses.
Minor amendments were made and from there the main study carried out. To reduce the effect of non-respondents due to misplaced tools or delayed return of questionnaires, 75 questionnaires and care plan tools were printed and daily reminders through calls and visit to the wards were made to encourage them to use and provide feedback. A total sample size of 66 participants between the ages of 21-51 years was studied.

A total of 66 (100%) participants’ responses were analyzed. The majority of respondents (figure 2) were between the ages of 20-29 years representing 37 (56.1%) participants with those in ages 30-39 years being 14 (21.2%) and 40-49 years being 13 (19.7%) the two second highest group who voluntarily participated in the study with over 50 years being 2 (3%). Interestingly 49 (74.2%) of the respondents were Registered General Nurses and 64 (90.7%) of respondents were practicing as General Nurses.

All 66 (100%) participants thought there was a relationship between the nursing process and the quality of health care the patient receives and it also improves the care given to patients. Though 36 (54.5%) respondents ticked that they use the nursing process in patient care, 12 (18.2%) respondents ticked that there were guidelines on the use of the nursing process available at the clinical area.
Figure 7. Availability of guidelines at the clinical area?

The percentage (73.2%) responded that there are no strategies on the ward to promote use of the nursing process, is about the same percentage (77.3%) also responded that there are on guidelines (fig 7).

Figure 8. Are these strategies effective in promoting the use of the nursing process care plan?

After the administration and use of the LApiah standardized nursing care plan (amended after the pilot study) on planning patient care, the 66 participants provided the following useful feedback. 64 (97%) responded and 62 (93.9%) answered the research question that the use of LASNCP would improve the quality of nursing care patient receive hence, improve client service delivery. However, 58 (87.9%) had responded that the LASNCP would be an effective strategy to promote use of the nursing process care plan as shown in figure 9.

Figure 9. Would the LApiah STANDARDIZED NURSING CARE PLAN be an effective strategy in promoting the use of the nursing process care plan
Figure 10. Would the LAPPIAH STANDARDIZED NURSING CARE PLAN improve the quality of nursing care the patient receives?

![Bar chart](chart10.png)

Figure 11. Will this format of ‘LAPPIAH STANDARDIZED NURSING CAREPLAN’ in an online version ehr help nurses in the use of nursing care plan?

![Bar chart](chart11.png)

Figure 12. Comparism of results on ‘LAPPIAH STANDARDIZED NURSING CAREPLAN’

This study revealed that 36 (54.5%) out of the 66 respondents as depicted in figure 6 ticked that they use the nursing process in planning care for patients. This information is contrary to Agyeman-Yeboah, and Korsah (2018) findings that Nurses do not take the initiative in patients’ care as professionals are expected to do and are subsequently unable to provide any better care to patients who on a specific day were not reviewed by their medical doctors. Implying that nursing care to patients was based on medical orders and nurse’s discretion and not planned based on the specific needs of the patients. However, only 10 (15.2%) respondents stated that there were strategies put in place to promote its utilization and 15 (22.7%) respondents agreed the strategies were effective in promoting the use of the nursing process; care plan. Sixty-two (62) reflecting 96.9% out of the 64 respondents that answered that the LAppiah Standardized Nursing Care Plan was easy to understand also agreed that it would improve the quality of nursing care that the patient receives. Other studies (Keenan et al 2008, and Rouleau et al 2017) reported that Nurses found it challenging to record the steps of the nursing process and that it was time consuming
were the same findings made by Muteigi in 2016. However, there was increase in usage of the nursing care planning system when it was computerized. This supposes that LASNCP if made available through the Electronic Health Records would facilitate its use.

Respondents 62 (93.9%) answered Yes to the question, ‘would the LAppiah Standardized Nursing Care Plan improve the quality of nursing care the patient receives? were’ and 59 (89.4%) in figure 13 thought an online version accessible through Electronic Health Records will be of help to Nurses in the usage of the NCP were. Their response was consistent with Poder et al. (2015) who reported that the use of SNCP improved care and safety. Fifty (50) participants, recommended the modifications and summarized as follows;

- There should be an addition of more care needs or interventions especially for special conditions and areas; Paediatrics, Dialysis
- Though some wanted it less bulky and easy to use, they recommended spaces to be provided for additional nursing diagnosis, goals or interventions to be written by carer.
- To add more interventions; for instance, on risk of contaminations and bleeding under comfort [catheter care and changing soiled linen]; intervention for pre-operation teaching and familiarization to correspond to anxiety and knowledge deficit.
- Some thought it should be policy driven and more education on care plans usage.
- A small percentage wanted for the desired goals to be written as well as the evaluation columns to be with tick options because of time constraints.

Clinical relevance

If the above recommended modifications could be made to improve and facilitate the use of LA SNCP, it would support Bodeheimer and Sinsky (2014c) recommended ‘Quadruple Aim’ to improving the work life of health care providers, including clinicians and staff as it would make it easy to use and facilitate health service delivery which would result in Patient and Nurse satisfaction. Herold-Majumdar et al. in 2016 stated that, a resident’s quality of life is affected by nurse’s quality of life as a nurse in distress during working time experiences decrease in empathy and subsequently their understanding of the patient’s experience and perspective.

Conclusion

The LAppiah standardized nursing care plan should be further developed and tailored to implement for use in the hospitals Electronic Health Records. I would also advocate for the use of Standardized Nursing Language with EHR to allow for ease of documenting nursing care and facilitate communication of nursing care across healthcare disciplines and healthcare environments. Johnson et al. (2016). Over 90% responded positively to the utilization of the LASNCP to promote use of planning care and subsequently improve client service delivery as shown in figure 10 and 12. The null hypothesis was rejected and alternate hypothesis accepted. It is highly recommended that the development of effective NCP tools should be carried out under the guidance of researchers and Nurse Managers with focus on both users and clinical perspective on quality of life Herold-Majumdar A. et. al.2016. Now that it’s been established that the LAppiah Standardized Nursing Care Plan is user friendly and acceptable to clinical nurses irrespective of their specialty, henceforth studies should be done to determine its effectiveness in improving care in the Ghanaian setting.

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Sincere gratitude to Almighty God and the following:

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References


The National Health Insurance Scheme an Alternative Source of Health Care Funding in Nigeria: A Case Study of Borno State

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Abstract

Introduction: In nearly every society, the standard of living is to a large extent determined by access to goods and services that fulfilled basic human needs. The qualities of a country’s population, no doubt, enhance productivity, economic growth and development. The declined in Nigerian Government revenues since the wake of the economic crisis of the 1980’s has necessitated cut in public expenditure including health which leads to increase in out-of-pocket (OOP) expenditure in health of average family. To reduce the OOP, the government introduces the National Health Insurance Scheme (NHIS) in Nigeria to compliment government and family’s effort in health care financing.

Objectives: The paper aimed to look into the role of National Insurance Scheme as an alternative source of health care financing in Nigeria most particularly in Borno State.

Method: The research intents to galvanized the stakeholders in the state to understand the need to identify more opportunities for financing health especially with focus on to support the reduction of maternal and child mortality in the state.

Results: Stakeholders in the program states were made to understand that, financing health is not the sole responsibility of government or agencies but everyone business. There is the need to holistically support the implementation of the scheme in the state.

Conclusions: The emergence and success of the health insurance scheme as a means of co-financing health care in developed nation e.g. United Kingdom, China etc., and its attendant success propelled the developing nation like Nigeria to adopt the scheme with the view to finding lasting solutions to its peculiar high health indices/ care problems and there is the need to have the enabling policy environment for the full benefit of the scheme.

Keywords for indexing: Northern Nigeria, Borno state, National Health Insurance scheme, health financing, out-of-pocket expenses, stakeholders, service providers, utilization, maternal mortality rate, child mortality rate.

Introduction

Borno state is one of the 37 states in Nigeria, located at the far northern Nigeria with a population density of 5.8million largely agrarian and 77% below poverty level. The state is one of the highest in terms of disease burden with maternal mortality rate (MMR) of 1,538/100,000 and child mortality rate (CMR) of 160/1,000 population.

Nigeria is one of the countries in the world with a high out-of-pocket expenditure in health. It is estimated that over 75% - 80% of medical expenses are bound by the patient while government is only responsible for between 10% - 15% and this over stretched the meager family income which is about 1.9 dollar per day.

In nearly every society, the standard of living is to a large extent determined by access to goods and services that fulfilled basic human needs. The qualities of a country’s population, no doubt, enhance productivity and economic growth and development. This is mainly because a healthy and well-fed labor force is more capable of greater physical and mental exertion than one that is ill, hungry and mal-nourished and declined in government revenue since the wake of the economic crisis of the 1980’s has necessitated cut in public expenditure including expenditure on health.
In Nigeria, in spite of the resource constrain, government seems committed to improving health care delivery in the country and the National Insurance Scheme (NHIS) is one of the government efforts in this regard.

Health is a very important aspect of an individual’s wellbeing, and since individuals make a nation, therefore, healthcare could be regarded as one of the necessary conditions to achieving a sustainable long-term economic development. “Health can be defined to mean general physical condition i.e. condition of the body or mind especially in terms of the presence or absence of illness, injuries or impairments” (Sule, 1995). The issue of health is a very sensitive one because it deals with not just humans but with human body. Without a good health condition, it is almost impossible to carry out any economic activity and if at all there is any it will certainly not be efficient and so we really have to take this subject seriously (Cremieux, et al., 1999).

It has been established in the literature that improvement in health care is an important prerequisite for enhancing Human Capital Development (HCD) in any and every economy. According to Siddiqui, Afridi and Haq (1995), they opined that improved health status of a nation creates outward shift in labour supply curve/increase productivity of labour with a resultant increase in productivity of investment in other forms of human capital. Thus, the level of government expenditure on health determines the ultimate level of human capital development which eventually leads to better, more skillful, efficient and productive investment in other sector of the economy (Muhammad and Khan, 2007).

The financial commitments of government to the health sector are both the recurrent and capital expenditure on health. The capital expenditure of government decreases from N7.3million in 1970 to N4.88 million in 1972 before it rose again to N126.75 in 1994. It dropped sharply to N79.2 million in 1982. From 1982 to 1987, capital expenditure on health declined from N72.9m in 1982 to an all-time low of N17.2m in 1987. This development is occasioned by the fact government was more preoccupied in the business of paying workers’ salaries with less attention being paid to capital expenditure. In 1988 there was a significant rise to N297.96m. By 1991, the statistic dropped to N137.3m but plummeted to N33.72m in 1992. The figure rose steadily from N586.2 million in 1993 to N17,717.42m, N33,396.97m and N34,647.9m in 2003, 2005 and 2007 respectively the capital expenditure on health stood at N64,922.9m in 2008 and N79,321.09m in 2011.

The recurrent expenditure on health also follows a similar trend. It rose gradually from N12.48m in 1970 to N59.47m in 1977 but fell to N40.48m in the successive year. The pattern of health expenditure at this period is a reflection of both the product of the disposition of government policy towards health issue and the determination of the Federal Government to improve the health care system with the wind fall of oil revenue. Recurrent expenditure nosedived into N15.32m in 1979 before it rose to N52.79m, N84.46m N82.79 million in 1979, 1987 and 1983 respectively. From 1984 to 1986, recurrent expenditure rose from N101.55m to N134.12m when the recurrent expenditure as a percentage of total expenditure stood at 77.4 percent. The value of recurrent health expenditure reduced significantly in 1987 to N41.31m before it rose steadily from N422.80 in 1988 to N24,522.27m in 2001. This figure rose again from N40,621.42 in 2002 to N44,551.63, N58,686.56 and N72,290.07 in 2005, 2006 and 2007 respectively.

Literature reviews

Insurance was defined by (Boateng, 1981), “as a system whereby compensation can be paid for losses”. All those people who are in a position to suffer a loss or losses and who participate in the scheme by contributing to it, have the right to claim from the fund, should the event insure against occurs. It is often referred to as the “pooling of risks”.

Health Insurance is a policy instrument designed by federal government to improve the health status of all Nigerians at cheaper cost by spreading the risk and creating appropriate incentive to consumers of health services (Emenuga, 1996).

The scope of the national health insurance scheme

The scope of the scheme should be considered in two ways (EDOZIEN, 1995).

1. The benefits
2. The coverage i.e. the population to be covered.

Benefits: As proposed by the ERONINI committee in 1988 and approved by the Federal Ministry of Health, were presented to the Federal Executive Council in 1989, the Council examined the guidelines provided by the International actuary, UNDP/ILo in 1992 which were:

A: Curative care by a private Doctor or by a Doctor in the government service, including drugs and diagnostic tests.
B: Preventive care:
C: Maternity care, including pre-natal, confinement and post-natal care either by medical practitioners or by qualified midwives and hospitalization, where necessary.
D: Consultation with specialist
E: Hospital cares in public or private hospitals in a standard ward for physical or chronic psychiatric illness.
F: Eye examination as a part of general medical care but excluding tests for the provisions of spectacles.
G: Prescribed range of prostheses.
H: Some limited dental care. (Culled EDOZIEN, 1995).

Coverage: Though the scheme is national in scope and, according to the constitution must not differentiate against a citizen, for the purpose of the insurance and collection of contribution, the group are divided into two, compulsory and voluntary groups:

1. Compulsory group:
   A. civil servant
   B. employees of parastatals and statutory bodies
   C. Private firms or institutions with more than ten employees, i.e. all those covered by Nigerian Social Insurance Trust Fund (NSITF)

Types of health insurance scheme

1. The direct system: - In this type, the health insurance authority owns the facilities and allows the insured avail themselves of the service assured.

2. The indirect system: - Is a system where insurance authority does not own any facility’s, fully contracts with providers who received payment from the authority rather than from the insured when health services are provided. The Nigerian Insurance scheme is built on the indirect system (EDOZIEN, 1995).

Basically, the National health insurance Scheme (NHIS) is aimed at providing the opportunity to achieve the following goals:

(a) To ensure that every Nigerian have access to health care services at an affordable cost.
(b) To protect families from the financial hardship of huge medical bills.
(c) To limit the rise in cost of health care services.
(d) To distribute health care cost equitably among different income groups.
(e) To set and monitor standards of health care delivery services.
(f) To eventually cover the whole nation, and for efficient health care services.
(g) To establish a health care system that adapts easily to local conditions and changing technology.
(h) To redress the imbalance between curative and preventive medicine, on one hand, and the distribution of health institution on the other hand.

(i) To provide infrastructure facilities for all preventive health care programmes with all the above goals, it is pertinent to recall past and present event which could have been subverted had the national health insurance scheme been put in place in Nigeria.

a) Present overseas medical expenses can be reducing on the basis of linkage and association: the NHIS can develop with other friendly countries with similar scheme. This means the NHIS can utilize the services of some health institutions outside the county at a less expense.

b) Costing for accurate health budget will be made easier, dependable and more accurate from the data, which will be available through the operation of the NHIS. This could enable the government to easily reach a
decision on subsidies and with more funds at their disposal for curative health care. It would enable them devote more resources to other sectors which are full responsibilities of the government and hence improve the quality of health care to the population through availability of funds.

Theoretical framework

This section is concern with reviewing the theory as put forward by scholars, which we will use as a framework within which we based our observation and research. The theoretical basis, which we will use in this research, is the collaborative practice model.

Collaborative practice model

This model is centered on the relationship of the National Health Insurance Council, the State Board, the health maintenance organization, private health insurance organizations, health providers and more importantly the patient, and how this tri-angulation or relationship enhance or hinders the care provided to the patient or his family.

The collaborative practice model was defined as “the joint determination of relationship among members of the health care team, whose sole purpose is to integrate their care practice into a comprehensive approach to meet the needs of patients and families” (Jeffrey, 1970).

The collaborative practice model sketch

The above sketch means that the relationship is mutual; it includes a co-operative venture between the health consumers, the Health insurance council and the state board, and other bodies engaged in effective coverage of the scheme that is the Health maintenance organization, Insurance Corporation and health providers. There is much discussion and communication among the health insurance team to provide care in an integrated, interactive and comprehensive manner. Thus, ensuring a higher quality of patient care because of shared decision making, evaluation of care in an ongoing manner and incorporates feed-backs from all participants is encouraged so that care can be adopted and ultimately the needs of the patient can be served more efficiently and effectively.

The end results of this model are that, all team members share in controlling cost and mal-practices. The ultimate gain of this model is improved patients and health care coverage.

This paper is based on the research work conducted which is aimed at understanding the prospects and problems of the scheme and proffer solution with regard to the problems identified for a successful implementation of the scheme in the state.

Statement of problem
The emergence and success of the health insurance scheme as a means of co-financing health care in developed nation e.g. United Kingdom, China etc. and its attendant success propelled the developing nation especially Nigeria to adopt the scheme with the view to finding lasting solutions to its peculiar health care problems.

The Nigeria nation since independence has been battling with the problems of health care provision to the Nigerian people. However, due to vast nature of the Nigerian State, couples with low level of education, which is indicated in the under-utilization of the 14,530 health care institutions throughout Nigeria (Health census, 1993). The emphasis on curative health care services to the population as characterized by the proliferation of health institutions and the placement of emphasis on the training of curative personnel e.g. Doctors, Nurses etc. at the expense of the preventive health care e.g. less emphasis place on the training of community physicians, community and public health workers all indicate a signal to the low attention accorded the preventive health care outfit and this leads to more money vested on the maintenance, refurbishment of equipment, facilities and hence more financial problems.

The primary health care (PHC) component emphasized collaborative teamwork among the various socio-economic facets of our society e.g. Agriculture, water supply, education etc. But, in Nigeria, the PHC concept received little or no attention from the implementers of the programme as such there is lack of operational linkages of the various components of the primary health care delivery system. (Shehu, 1995)

However, efforts of the government to improve the health care financing have been not encouraging, most especially with the adoption of the “Abuja Declaration” of allocating at-least 15% of the nation annual budget to health sector as adopted by the African, and also the adoption of primary health care approach. But all these yielded little improvement in the health sector, the institutionalization of the health insurance scheme to health care, where the populace co-finances health care with a view to improving greatly the quality of health care services.

**Objectives of the study**

The objective of the study is

1. To examine the evolution of the National Health Insurance scheme Nigeria.
2. To assess the level of implementation of the National Health Insurance scheme in Nigeria.
3. To identify the major obstacles hindering the National Health Insurance scheme in Nigeria.
4. To proffer solution to those problems through recommendations of concrete policy options.

**Methodology**

This session is aimed at identifying the methods used for the collection of data, the type of respondent, and methods of data analysis. The sources for obtaining data for this research work are through questionnaire administration, which is using stratified and simple random method.

The population understudy was made up of the health professionals and personnel who are the health providers under the scheme which include, the Doctors, Nurses, Lab, Technicians, Health planners and administrators etc. and also the beneficiaries of the scheme are served with the questionnaire.

Stratified random sample method was used for the Health personnel i.e. Doctors, Nurses, pharmacist, administrator’s etc. while simple random method were used for the contributors of the scheme (employers and employees). The selection criterion for the employers and employees was based on literacy and those that have been to the Hospital for treatment.

**Data analysis and presentation of findings**

The analysis presented in this session were the results of the completed questionnaires by the health professionals that is the Doctors, Nurses, Health Administration etc. and the responses from the general public (those who benefit from the services).

Thirty-five questionnaires were distributed among the health care professionals and out of it thirty completed questionnaires were return signifying 85.7% response, while a total of twenty questionnaires were
distributed to the public (Health care beneficiaries) and a total of sixteen completed forms were returned, indicating 80% responses.

Relevant information derived from the questionnaires was used in the analysis. In order to substantiate the information gathered from the respondent, frequency distribution and percentage used for the analysis.

**Chart 1: Profession Background of respondents**

Question: What is your profession?

<table>
<thead>
<tr>
<th>Profession</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical officers</td>
<td>27%</td>
</tr>
<tr>
<td>Nursing officers</td>
<td>47%</td>
</tr>
<tr>
<td>Health Planners/ Admin</td>
<td>13%</td>
</tr>
<tr>
<td>Others</td>
<td>17%</td>
</tr>
</tbody>
</table>

**Presentation**

This table sought to find the number of respondents within the health care professionals and administrators, 27% are medical Doctors, 43% are Nursing officers, 13% were Health Administrators and planners, while 17% are other cadres e.g. laboratory Technicians, Physiotherapist, Dieticians etc.

**Chart 2: Respondent’s knowledge of what Health Insurance is**

Question: What is health Insurance all about?

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Nigerians will have access to quality health care services</td>
<td>37%</td>
</tr>
<tr>
<td>Sharing of Health Care system</td>
<td>27%</td>
</tr>
<tr>
<td>Privatization of the Health Care System</td>
<td>17%</td>
</tr>
<tr>
<td>Insuring Your life with Insurance Company</td>
<td>10%</td>
</tr>
<tr>
<td>Not sure</td>
<td>10%</td>
</tr>
</tbody>
</table>

**Presentation**

From the question, 37% of the respondents say that health insurance is about. All Nigerians having access to quality health care services; 27% say it’s about sharing of health care cost among the contributors to the fund and 17% are of the opinion that health insurance is about insuring one’s life with an insurance company and 10% say that they are not sure of what Health Insurance Scheme is all about.

**Chart 3: Respondent’s knowledge of what is the objective of the National Health Insurance**

Question: What is the objective of the scheme?
Presentation

This sought to find out the objective of the scheme. 37% of the opinion that the Health Insurance scheme is a means of insuring that Nigerians will have access to quality health care services, 10% say it will protect families from financial burden and 10% are of the view that it’s about setting and monitoring standards for health care services in Nigeria. While 33% say Health, insurance is about overcoming the health care problems and 10% say they don’t know the objective of the scheme.

Chart 4: Knowledge of Respondents of whether the objective is achievable

Question: Do you think the objective is achievable?

Presentation

This seeks to find out from the respondents whether the objective of health insurance in Nigeria is attainable or not, 57% say yes, it is attainable and 33% are of the view that the objectives is not attainable while 10% say they don’t know. From the statistics one would understand that majority of the respondents are optimistic about the scheme.

Chart 5: Respondent’s knowledge of how to source for fund

Question: Do you think the contribution should be compulsory and why?
Presentation

This table tried to find out whether the contribution to the find be compulsory or not and why? 63% of the respondents say the contribution should be made compulsory for the following reasons:

a) Most Nigerian can’t settle their medical bills on their own.
b) For full implementation of the health insurance scheme.
c) For the betterment of the general public with regard to their health.

While 33% of the respondents say the contribution should not be compulsory because of the following reasons:

a) May lead to poor implementation of the scheme.
b) The scheme may be faced with the problem of Nigerian factor i.e. failure of all government projects and programs.
c) Most people and organizations have their personal Health care facilities.
d) And only 4% of the respondents are certain of whether the contribution should be compulsory or not.

Chart 6: Respondent’s idea on the obstacle to the success of the scheme

Question: What are the expected problems of the National Health Insurance Scheme?

<table>
<thead>
<tr>
<th>Problem Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor Implementation of the Scheme</td>
<td>27%</td>
</tr>
<tr>
<td>Unequal distribution of health Facilities</td>
<td>7%</td>
</tr>
<tr>
<td>Lack of awareness about the scheme</td>
<td>7%</td>
</tr>
<tr>
<td>Inadequate Manpower</td>
<td>7%</td>
</tr>
<tr>
<td>Lack of support from Govt. and corporate bodies</td>
<td>23%</td>
</tr>
</tbody>
</table>

Presentation

This section is trying to find out the expected problems of the insurance scheme. 27% say they expect poor implementation of the scheme become Nigerian factor, 7% anticipated unequal distribution of the health care facilities; 23% say the expected problem is from lack of awareness about the scheme, while 27% say the problem could be as a result of inadequate manpower to man the scheme, and 10% say the problem could be from lack of support from government and corporate bodies. And 7% are not sure of the expected problems of the scheme.

Discussion of the results/ findings

As a generic, one could easily identify the following as the most basic problems facing the healthcare industry in Nigeria and Borno in particular.

a) Inability to replenish stocks
b) Lack of equipment
c) Inability to pay wages
d) Inability of government and private initiative to expand services to rural areas
e) Ineffective managerial systems.

It is generally known that the above problems cannot be solved without adequate funds. The government revenue most especially in the 20th century is dwindling so much that the government cannot provide the huge amount required by the sector alone and hence the public participation in their health and subsequently the institutionalization of the national health insurance scheme to source for the extra capital required.
It is a known fact that the National Health Insurance Scheme was adopted by the Government to make health care accessible and affordable to the people by pooling of resources from both the government and the general public and hence the establishment of the scheme to take care of the objective.

It is as a result of the above that the researcher takes the pain and the cost asking the health providers and the general public on their perception, the anticipated problems of the scheme and the solution to smooth implementation of the scheme.

From the outcome of this session, the researcher was able to identify the following as the problems facing the National Insurance scheme in Nigeria and Borno in particular.

a) Lack of proper implementation and supervision of the scheme
b) Inadequate manpower and finances
c) Lack of support by government and other bodies and organizations
d) Lack of trained and experienced personnel.

In view of the problems enunciated above the following suggestions were required from the respondents;

a) Adequate funds made available to the scheme
b) There should be legislation giving a legal backing to the scheme with immediate effects.
c) Publicity and enlightenment campaign should be identified
d) There should be proper supervision of the scheme outfit to ensure compliance to laid down rules and regulations.
e) There should be equitable distribution of health institutions and replenishment of stock.

In conclusion, it is the view of the researcher that once their solutions are implementation to the later, there would be successful health insurance practice in Borno State and Nigeria in General.

Recommendations

The National health Insurance scheme is a scheme fashioned out by the Federal government among others thing to reduce the financial burden of the populace in receiving medical treatment thereby making medical service easily accessible and also as a means of providing additional funds to the government improving the health facilities in Borno and the nation at large.

It is the view of the researcher from the data analyzed that the following suggestions will enhance the performance of the scheme and bring about wider acceptability and the attainment of its of its overall objective:

a) More publicity about the intent and purposes of the scheme to the health care providers and the contributors of funds to scheme.
b) Proper, timely implementation of and supervision of the all the outfits established in implementation process i.e. the state health insurance office, the health maintenance organization, private health insurance companies by the National insurance council.
c) There should be adequate training of personnel both the scheme officials and the health care providers and if possible, the employers and the employees who contributed fund to the scheme on the intricacies and the procedures of enjoying your contribution.
d) The entire scheme revolved around adequate finances, as such the government should not leave the funding entirely to the public, but should partake in co-financing the scheme, thereby reducing the financial burden on the public, since reducing health care cost is the objective of the scheme.
e) The government should as a matter of urgency promulgate an enabling decree to give a legal backing to the scheme in order to take up fully, and the government should compel corporate organizations and bodies to join the scheme.
f) The national health insurance council shall as a matter of seriousness ensure that the following does not occur in the discharge or performance of the scheme, as it would seriously sabotage the performance of the scheme. As such there should be proper legislation on those are:

i. Provider manipulation (is a situation where doctors and other health providers manipulate visits and bills in such a manner that their premium is increased).
ii. The insured collecting with providers to over use services. (it’s situation where workers are being given money to sign attendance so that the health providers could claim more money for services not done).
iii. Insurer abdication or illiquidity. (It’s a situation where the Insurance companies faced the problems of cost over run and have failed to settled providers claims promptly).

In conclusion, the researcher is of the candid belief that, if these recommendations are fully implemented to the core, the National Health Insurance Scheme is a sure way of alternative sourcing of health care funding in Nigeria.

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Top Management Commitment to Total Quality Management as A Correlate of Customer Satisfaction in the Nigerian Banking Sector

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Abstract
The need for a comprehensive understanding of the connection between total quality management and customer satisfaction cannot be overstressed. It is on this note that this study seeks to examine the kind of relationship that exists between Total Quality Management and other three variables, vis-à-vis top management commitment, employee involvement, and customer satisfaction. The descriptive survey design was adopted for this study and primary data was collected with the use of a self-structured questionnaire from one hundred and thirty-six (136) randomly selected respondents among the employees of Access Bank Plc. (27); First Bank Nigeria Limited (35); Guarantee Trust Bank Plc. (30); United Bank for Africa (24); and WEMA Bank (20), in Akoka, Yaba Local Government Area of Lagos State, Nigeria. The hypotheses were tested using Pearson Product Moment Correlation Coefficient at 0.05 level of significance, with the aid of the Statistical Package for Social Scientists (SPSS 21.0). The findings of the study showed an increase in the Nigerian Banking Sector top management commitment to Total Quality Management will imply increase in TQM implementation; increase in the involvement of money deposit banks’ staff in the TQM implementation process is also tantamount to an increase in the Total Quality Management implementation; and that implementation of Total Quality Management significantly correlates increase in customer satisfaction in the Nigerian banking sector. The study therefore recommends among others that the top management of the Nigerian banking sector should be committed to Total Quality Management and involve employees in its implementation.

Keywords: Top Management, Commitment, Total Quality Management, Employee Involvement, and Customer Satisfaction.

Introduction
Background to the study
There was an increase in the number of customer’s complaints in the beginning from 1980s. The complaint is not limited to litigations in court rooms, board room and waiting rooms. Some of the business reacted by ignoring the voice of the customer while some customers established a customer relationship management to tract the net loyalty level of the customers. However, the customer satisfaction concept has now become a standard by which organization’s performance are judged. Banking industry is the foundation for development in any nation. The economy of a nation is measured through the activities of production of goods and services of the citizen. The result of production of goods and services are geared towards improving the wealth of individual and society at large. The banking role in an economy is more of efficient allocation of resources, taking from the surplus side of the economy and taked to the deficit side of the economy. According to Odiaka (1991) Efficient and effective financial system is a prerequisite for the promotion of effective intermediation, competition, maintenance of confidence and stability of the economic system. It will also protect the bank against the risk of collapse. For the bank to have an efficient and effective system to perform their functions there is need for them to ensure total quality management philosophy in people, processes and products. The principles, practices and philosophies of Total Quality Management adopted (TQM) will determine how far the organization can go in delivering services that exceeds the needs and expectation of their customer. An organization is differentiated from their competitor.
based on the degree and level of commitment of the top management to total quality philosophy. Quality must be top priority in the people, top management, the product and services.

**Statement of problem**

From practical and theoretical perspectives, the need to comprehensively understand the correlation between customer satisfaction and total quality management cannot be over emphasized. Proper cooperation between employees, top and middle management towards a common objective requires a clear vision and mission, communicated by the top management. Hence top management commitment is crucial to ensure total quality management philosophy is enshrined as the part of company culture in order to exceeds the need and expectation of the customer.

Several researchers studied total quality management leaving some gaps that need to be filled behind. The study of the concept of total quality management has been a bone of contention that brings about tensions between regulatory, vernacular, contextual and conventional meanings. Previous studies on total quality management (e.g. Nadiri and Hussain 2005; Yang, 2006) were carried out in different situations and had diverse results, which give explanation for the need for the present study. The present business milieu requires that an organization maintains its business sustainability and produces products or services that constantly meet the yearnings of its customers and expectations (Muma et al., 2014). Total Quality Management (TQM) is one of the management strategies that can be adopted to achieve incessant improvement in quality. TQM as a concept came into being in 1970s when quality development took a tactical shift from Quality Control to quality strategic approach so as to heed to the increasing attention on quality. Quality management since then has developed gradually from Quality Inspection, to Quality Control, then to Quality Assurance and currently to Total Quality Management (Kenya Institute of Management, 2009).

**Objectives of the study**

The aim of the study is to evaluate top management commitment to total quality management as a correlate of customer satisfaction in the Nigerian banking sector. It is on this note that this study sets to achieve the following objectives

i) To examine the relationship between top management commitment and Total Quality Management implementation in the Nigerian Banking Sector;

ii) To find out if any correlation exists between employees’ involvement and Total Quality Management implementation in the Nigerian Banking Sector;

iii) To determine the kind of relationship that exists between Total Quality Management implementation and Customer Satisfaction in the Nigerian Banking Sector

**Research questions**

In order to achieve the objective, the study seeks to test the following null hypotheses:

**H₀₁:** There is no significant relationship between top management commitment and Total Quality Management implementation in the Nigerian Banking Sector.

**H₀₂:** There is no significant correlation between employee involvement and Total Quality Management implementation in the Nigerian Banking Sector.

**H₀₃:** There is no significant relationship between Total Quality Management implementation and customer satisfaction in the Nigerian Banking Sector.

**Literature review**

**Conceptual frame work**

**The concept of total quality management**

Total Quality Management according to Davies (2003) is a management philosophy that pays attention on people and the work process, with customer satisfaction and improved organizational performance as
the major concern. It entails the appropriate coordination of work processes that give room for incessant progress in all business divisions with the goal to meet and even beat customer expectations. It stresses totality of quality in all aspects of an organization in order to reduce waste and modify to minimize cost and enhance production efficiency. TQM can be applied to any organization be it small, medium, or large scale, so that they can effective in meeting the demands of their customer, as well as the demands of their shareholders. Most organizations however, are unable to adopt TQM as a result of their failure to comply with its implementation principles and procedures, (Temtime and Solomon, 2002; McCabe and Hutchinsun, 1994).

The improvement of quality and total quality management most importantly has become very trendy in the developing nations like Nigeria for the past three decades, courtesy of the stern competition in the international market. As the relative economic decline in Nigeria became conspicuous, many industries in Nigeria started to change their conventional business approaches into contemporary approaches aiming at continuous improvement for competitive advantages (Agwu, 2014).

Agus, (1994) argued that if TQM is to be successful, it must be treated as a mind-set to be recognized in an organization’s core. This mind-set of quality management and continuous improvement must be treated as a primary objective at all levels in all units of an organization in its expansion and development processes, so as to enable it deal with new challenges in the most appropriate and efficient way. Not only that TQM must be treated as a mind-set of an organization but Curry and Kkolou, (2004) emphasized that the ability of its top management to nurture and champion the implementation of TQM brings about inspiration in the other members of the organization to integrate it into their self-training and daily work, and quality in this manner, finally takes care of itself (Agwu, 2014).

According to the International Standard ISO 8402, the Total Quality Managements of an organization comprised of the Quality Management and Quality Assurance, which centered on quality management through the involvement of all members of the organization, to achieve a long-term success by ensuring customer satisfaction, as well as benefits to all members of the organization and to the larger society (Ljungstrom and Klefsjo, 2002). Total Quality Management according to Kartha (2004) is also a systems approach to management, which is aimed at enhancing value to customers through the design and constant improvement of organizational systems and processes. Though, customers and customer satisfaction is the focal point in TQM, but employee involvement and empowerment are also emphasized. The principles of Total Quality Management as claimed by Ugboro and Obeng (2000 cited in Ogbari and Borishade, 2015), are constant improvement, the commitment of top management to customer satisfaction goal, employee empowerment, as well as customer focus.

Many people though, think that Total Quality Management is old, not knowing that many of the emerging management initiatives are offshoots of Total Quality Management beliefs. Notable among such offshoots are Six Sigma (Klefso, Wiklund, and Edgeman, 2001); Lean Sigma; ISO 9000; as well as the Malcolm Baldrige National Quality Award (MBNQA). Irrespective of the several points of view however, the core theme common to all the derivates is the fact that the foundation of TQM is a prevention work process that struggles to improve quality and efficiency, increase productivity, and boost customer satisfaction, (Kartha, 2004; Goldman, 2005). Sashkin and Kiser (1993) suggests the following essential elements for the implementation of a Total Quality Management: (1) use of quality information for improvement, rather than judging or controlling people; (2) authority must imply responsibility; (3) results must be adequately rewarded; (4) the basis of team work must be cooperation and not competition; (5) employees job security must be guaranteed; (6) the working environment must be fair to all; (7) compensation must be reasonable; and (8) employees must be granted ownership stakes.

**Top management commitment**

Several researches supported the tact the strong commitment from the top management is a cornerstone in the total quality management philosophy. The result of top management commitment is higher quality performance (Saraph et al., 1989; Flynn et al., 1994; 1995; Ahire et al., 1996; Juran, 1988; Anderson et
al., 1995). Top management is a catalyst in the TQM implementation, establishing values, goals, and systems to meet and exceed the expectation of customer and leading to improved organizational performance (Ahire et al., 1996; EFQM Award, Wilson and Collier 2000 and KAAPS 2010). Anderson et al. (1994) stated Leadership concept is the ability of top management to create a process, strategic vision for the organization, that is focus on customer requirement. According to Juran & Gryna (1993), top management are to establish quality policies, establish and deploy quality goals, provide resources, provide problem-oriented training, and improvement. Hence, it is believed that top management commitment is relevant in total quality management. Top management are to accept evaluate, participate in improvement efforts in order to have strategies and goals, alignment of Information System with business strategy that is based on market demand and consumer needs which will lead to organizational performance and profitability. (Saraph et al., 1989; Flynn et al., 1994, 1995; Ahire et al., 1996; Anderson et al., 1995; Black & Porter, 1996; Crosby, 1979; Deming, 1986; Juran & Gryna, 1993; Kaynak, 2003; Powell; 1995; Prajogo & Sohal, 2003; Rao et al., 1999; Sila & Ebrahimpour, 2005; Wilson & Collier, 2000). Effective leadership promotes the strategic direction of the company to achieve customer satisfaction and business results.

**Strategic planning**

Strategic Quality Planning is a structured process for establishing long-range quality goals, at the highest levels of the organization, and defining the means to be used to reach those goals”. Krumwiede & Charles (2006) emphasized that the strategic aspects of quality are recognized and embraced by top management in the strategic planning process. Strategic Planning allows firms to set clear priorities and allocate resources for the most important things. McKinsey 7s model was developed in 1980s by McKinsey consultants Tom Peters, Robert Waterman and Julian Philips with a help from Richard Pascal and Anthony G. Athos. The model has been widely used by both practitioners and academic as one of the most popular strategic planning tools. The tool is used to analyze the firm’s organizational design by looking at 7 key internal elements. These are Strategy, Structure, Systems, shared values, style, staff and skills. The tools will allow organization to identify if all this internal element is effectively aligned and allow organization to achieve their objectives.

The focus of a TQM philosophy includes the vision of the leader in the organization’s desired long-term goals and objectives, translating the vision into strategy, goals and policy, strategy development, and strategy into reality (Sila & Ebrahimpour, 2005). Within the TQM model stipulated by MBNQA, Strategic Planning stresses that long-term organizational sustainability and a competitive environment are key strategic issues that need to be integral parts of an organization’s overall planning (NIST, 2010). In the Malcolm Baldrige model, it has been stated that there is a positive link between strategic planning for quality and quality information and analysis (Wilson & Collier, 2000).

**The concept of customer satisfaction**

Customer satisfaction has been defined in several ways, Oliver (1997) defines it as consumer's accomplishment response, it assesses the quality of products or services. In other word, satisfaction evaluates product or service offered to a customer and appraises the level at which the customer’s needs and expectations are fulfilled, whether unsatisfactory or satisfactory (Zeithaml and Bitner, 2000). Customer satisfaction measures the gap between customer’s expectations and opinion of product or service level of performance (Parasuraman et al., 1988).

They explained further that the term "expectations" implies the benefits a customer feels the product or service should offer and not what it would actually offer. Customer satisfaction could also imply the consumer’s forecast about what would probably happen during an impending exchange or transaction. They developed an instrument called SERVQUAL with five components, vis-à-vis assurance, empathy, reliability, responsiveness, and tangibility, to measure the quality of service offered by service organizations.
Total quality management and customer satisfaction

Naumann (2010 cited in Ogbari and Borishade, 2015) identified customer satisfaction as an integral part of organisation's strategic planning. It has also been found that total quality management implementation enhances the level of customer satisfaction, which will in turn improve the competitive power of an organisation, and as a result, TQM implementation is sacrosanct to all business organizations (Aghazadeh, 2002).

Customer satisfaction for decades is adjudged to be the pivot of success for every profit-based organization as it influences their customer retention and market share. This is because, a satisfied customer is likely to be less price sensitive, less influenced by competitors, and also stays loyal longer (Dimitriades, 2006). Yang (2006) found that Total Quality Management when combined with human resource management significantly influenced quality performance, particularly relating to employee and customer satisfaction. Agus (2004) also finds that a strong and direct correlation exists between TQM and customer satisfaction. Saravanan and Rao (2006) also found a statistically significant association between the implementation of TQM practices and customer satisfaction and organizational performance. Nadiri and Hussain (2005) also found that service quality facilitates customer satisfaction, kindles repeat purchase, and promotes referrals.

Employee involvement

For a great number of quality management initiatives, employee involvement is adjudged as an important factor. From the 25 best TQM practices identified, four items are linked closely with employee involvement; they are Human Resource Management, employee empowerment, employee satisfaction and appraisal, as well as rewards and recognition (Sumukadas, 2006). Sumukadas (2006) argued that despite that organizational behavior field has conducted the major part of employee involvement research, several researches are yet to realise the effects of employee involvement on employee performance and employee satisfaction, which at the long run impact on business performance. Plausibly, employee involvement implies that employee who understands a problem is considered as the authorized person to address the problem and as such has the prospect to make the most suitable decisions to get the problem solved (Sun et al, 2000). Employee involvement is also defined as "the extent to which employees producing a product or offering a service has a sense of controlling their work, receiving information about their performance, and being rewarded for the performance of the organization" (Lawler et al., 1992).

Theoretical frame work

Several frameworks and theories have been adopted for the implementation of Total Quality Management. For the purpose of this study however, the works of Deming (1986) and Juran (Juran & Gryna, 1993), are reviewed. Deming (1986), who propounded the first TQM concepts created 14 points vis-à-vis provision of constancy purpose for product and service improvement, adoption of quality management as the new working policy, prevention of reliance on mass assessment, putting an end to the emphasis on the cost of production in the production and service system improvement, adopting of new training method, new supervision method, drive out of fear, collaboration between staff areas, eradication of numerical targets for the employee, abolition of numerical quotas, getting rid of the hurdles that thwart the hourly worker, new education and training program, as well as top management commitment to quality management (Temtime and Solomon 2002). Juran (1986) cited in Tanninen, et al., (2010) further elucidated that the management has the responsibility to establish a quality council, management should also set up the quality policy, the management need to incorporate the time frame for quality goal and finally, management must provide all essential resources needed to accomplish the quality goal.

Methodology

The descriptive survey research design was adopted for this study. The employees of five selected Money Deposits Banks branches in Akoka Area of Yaba Local Government Area of Lagos State, Nigeria formed
the population for this study. This comprised of 41 employees of Access Bank Plc. 53 employees of First Bank Nigeria Limited, 45 employees of Guarantee Trust Bank Plc., 36 employees of United Bank for Africa, and 30 employees of WEMA Bank, giving a total of 205 employees. Furthermore, the sample size was statistically determined using the Yaman (1967) formula method as illustrated below;

\[ n = \frac{N}{1 + Ne^2} \]

Where \( n \) = Sample size;
\( l \) = Constant;
\( e \) = Error of significance = 0.05; and
\( N \) = Population size

\[ n = \frac{205}{1 + 205 * (0.05)^2} = \frac{205}{1 + 205 * 0.0025} \]

\[ n = \frac{205}{1 + 0.5125} = \frac{205}{1.5125} = 135.5 \approx 136 \quad \therefore \quad n = 136 \]

Based on the result above, the sample size for this study is 136 respondents. Hence, there is need to ensure that the sample represents each of the five selected banks based to their staff strength. And a result, the Bowley’s (1926) stratified proportional allocation formula is adopted. The Bowley (1926) proportional allocation formula is given as:

\[ nh = \frac{n * Nh}{N} \]

Where: \( nh \) = Number of units allocated to each stratum (bank)
\( N \) = Total sample size
\( Nh \) = Number of employees in each bank
\( N \) = Total population

**Access Bank Plc.**

\[ nh = \frac{n * Nh}{N} = \frac{136 * 41}{205} = 27.2 \approx 27 \]

**First Bank Nigeria Limited**

\[ nh = \frac{n * Nh}{N} = \frac{136 * 53}{205} = 35.2 \approx 35 \]

**Guarantee Trust Bank Plc.**

\[ nh = \frac{n * Nh}{N} = \frac{136 * 45}{205} = 29.9 \approx 30 \]

**United Bank for Africa**

\[ nh = \frac{n * Nh}{N} = \frac{136 * 36}{205} = 23.9 \approx 24 \]

**WEMA Bank**

\[ nh = \frac{n * Nh}{N} = \frac{136 * 30}{205} = 19.9 \approx 20 \]

Hence, the instrument adopted for this study is a self-structured questionnaire administered to both junior and senior officers of the selected banks, who were randomly selected so as to give each employee of the bank equal chance of being chosen for the study. The questionnaire was designed in four sections (A-D); Section A sought the respondents’ demographic data, Section B-D sought their rating of the top management commitment to TQM, employee involvement in TQM implementation, and the level of customer satisfaction respectively. The rating in Sections B-D ranges from 1 to 5, with 1 being the least and 5 the highest rating. The data collected were presented and analysed using frequency distribution tables and charts to present the respondents’ demographic data, while Pearson Product Moment Correlation Coefficient is used to test the hypotheses, with the aid of the Statistical Package for Social Scientists (SPSS 21.0), at 0.05 level of significance.
Results

Table 1. Percentage distribution of respondents’ demographic data

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Options</th>
<th>Frequency</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td>Male</td>
<td>61</td>
<td>44.9</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>75</td>
<td>55.1</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>136</td>
<td>100.0</td>
</tr>
<tr>
<td>Age</td>
<td>25-35 years</td>
<td>46</td>
<td>33.8</td>
</tr>
<tr>
<td></td>
<td>36-45 years</td>
<td>53</td>
<td>39.0</td>
</tr>
<tr>
<td></td>
<td>Above 45 years</td>
<td>37</td>
<td>27.2</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>136</td>
<td>100.0</td>
</tr>
<tr>
<td>Experience</td>
<td>1-5 years</td>
<td>31</td>
<td>22.8</td>
</tr>
<tr>
<td></td>
<td>6-10 years</td>
<td>61</td>
<td>44.9</td>
</tr>
<tr>
<td></td>
<td>11-15 years</td>
<td>24</td>
<td>17.6</td>
</tr>
<tr>
<td></td>
<td>16-20 years</td>
<td>20</td>
<td>14.7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>136</td>
<td>100.0</td>
</tr>
</tbody>
</table>


Table 1 above shows that most (75: 55.1%) of the respondents were female, while the remaining 61(44.9%) of them were male. Concerning the age group of the respondents, 46(33.8%) of them were within the age bracket 25-35 years, 53(39.0%) of them were 36-45 years, and the remaining 37(27.2%) of them were above 45 years. And finally, the table showed that much (61: 44.9%) of the respondents had 6-10 years’ work experience in the bank, 31(22.8%) of them had between 1-5 years’ work experience, 24(17.6%) had 11-15 years’ work experience, while the remaining 20(14.7%) of the respondents had 16-20 years’ work experience in the bank.

Test of hypothesis one

There is no significant relationship between top management commitment and Total Quality Management implementation in the Nigerian Banking Sector.

Table 2. Correlation statistics

<table>
<thead>
<tr>
<th>Total Quality Management implementation</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>top management commitment</td>
<td>.873*</td>
<td>.001</td>
<td>136</td>
</tr>
</tbody>
</table>

*. Correlation is significant at the 0.1 level (2-tailed).

Table 2 shows $r=.873$, indicating a very strong and direct relationship between management commitment and Total Quality Management implementation, while $p=.001$ indicates a significant relationship between the two variables. Hence, null hypothesis that states “there is no significant relationship between top management commitment and Total Quality Management implementation in the Nigerian Banking Sector” is rejected, while its alternative is accepted.

Test of Hypothesis two

There is no significant correlation between employee involvement and Total Quality Management implementation in the Nigerian Banking Sector.
Table 3. Correlation statistics

<table>
<thead>
<tr>
<th>Total Quality Management implementation</th>
<th>Employee Involvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>.775*</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.003</td>
</tr>
<tr>
<td>N</td>
<td>136</td>
</tr>
</tbody>
</table>

*. Correlation is significant at the 0.1 level (2-tailed).

Table 3 shows $r = .775$, which shows there is a very strong and direct correlation between employee involvement and Total Quality Management implementation, while $p = .003$ depicts a significant correlation between the two variables. The null hypothesis that states “there is no significant correlation between employee involvement and Total Quality Management implementation in the Nigerian Banking Sector” is therefore rejected, and its alternative is accepted.

Test of hypothesis three

There is no significant relationship between Total Quality Management implementation and customer satisfaction in the Nigerian Banking Sector.

Table 4. Correlation statistics

<table>
<thead>
<tr>
<th>Customer Satisfaction</th>
<th>TQM implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>.902*</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>136</td>
</tr>
</tbody>
</table>

*Correlation is significant at the 0.1 level (2-tailed).

Table 4 shows $r = .902$, which is an indication that a very strong and direct relationship exists between Total Quality Management implementation and customer satisfaction, while $p = .000$ shows that the relationship between the two variables is significant. Therefore, the null hypothesis that states “there is no significant relationship between Total Quality Management implementation and customer satisfaction in the Nigerian Banking Sector” is rejected, while the alternative hypothesis is accepted.

Findings, conclusion and recommendation

Discussion of findings

From the test of the hypothesis one, it was found that there is a very strong, direct and significant relationship between top management commitment and Total Quality Management implementation in the Nigerian Banking Sector. This is in consonance with the principles of TQM propounded by Deming (1986), as top management commitment is the 14th point of Deming for the implementation of Total Quality Management (Temtime and Solomon 2002).

The test of hypothesis two showed that the correlation between employee involvement and Total Quality Management implementation in the Nigerian Banking Sector is very strong, direct, and significant. This is similar to the finding of Sumukadas (2006) that four items from the best 25 TQM practices identified are closely linked with employee involvement, vis-à-vis employee empowerment, Human Resource Management, employee appraisal and satisfaction, as well as recognition and rewards.

The result of the test of hypothesis three indicated that a very strong, direct, and significant relationship exists between Total Quality Management implementation and customer satisfaction in the Nigerian Banking Sector. This is in conformity with the results of Agus (2004) and Saravanan and Rao (2006) that a strong, direct, and statistically significant correlation exists between TQM and customer satisfaction.
Conclusion

Sequel to the findings of this study, it is concluded that when there is increase in the Nigerian Banking Sector top management commitment to Total Quality Management, there will also be an increase in TQM implementation in the sector. Increase in the involvement of money deposit banks’ staff in the TQM implementation process is also tantamount to an increase in the Total Quality Management implementation of the banks. Finally, when the implementation of Total Quality Management is increased in the Nigerian banking sector, there would also be an increase in the level of satisfaction among the banks’ customers.

Recommendations

Following the conclusion above, this study recommends that the top management of the Nigerian banking sector should not only be committed to Total Quality Management, but should also uphold its best practice and be highly committed in doing so. The banks’ employees should be made to have a sense of self-actualization and a sense of belonging in the banks with respect to quality management, so as to be more dedicated and collaborate very closely with the management objectives on quality assurance. The employee should also exhibit the best behaviour and manner in relating with the customers, as this will have a direct impact on the customers’ impression concerning the quality of service provided. These undoubtedly will affect the employees’ satisfaction and enhance their productivity, which at the long run will improve the level of customer satisfaction in the banking sector.

Reference


Analysis of the Adequacy of National Agricultural Policy in Addressing Entrepreneurial Education of Selected Agricultural Training Institutions in Zambia

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Abstract

The study seeks to establish the adequacy of National Agricultural Policy in addressing entrepreneurial education of selected Agricultural Training Institutions in Zambia. A descriptive survey design was employed using a mixed methods approach but with greater focus on qualitative approach. Purposive random sampling procedure was used. Quantitative data was analysed using frequencies, percentages and tables while qualitative data was analysed thematically. Most of the respondents interviewed acknowledged that the current National Agricultural Policy did not adequately address entrepreneurial education in Agricultural Training Institutions. The National Agricultural Policy, both in terms of content and strategies did not appear to achieve the desired result of entrepreneurial education as they tended to be biased towards food security, fish, crop and livestock production compared to nurturing entrepreneurs. It showed fragmented sectorial strategies and policies which did not point to entrepreneurial education. A general lack of comprehensive institutional frameworks and Acts of Parliament to support and address the issues of entrepreneurial education in Agricultural Training Institutions was observed as a major constraint to job creation. The study concluded that entrepreneurial education in the National Agricultural Policy was inadequate. This research, therefore, recommended integration of entrepreneurial education in the National Agricultural Policy and enactment of appropriate strategic Acts of Parliament to support entrepreneurial education and decent job creation.

Keywords: Agricultural Training, Entrepreneurial Education, National Agricultural Policy

Introduction

Agriculture remains a priority sector in Zambia for attaining sustainable economic growth and employment creation. This is attributed to the country’s vast natural resources such as huge tracks of arable land, water and a youthful population to support all forms of agricultural activities. Currently, it is estimated that over 80 percent of the Zambian population entirely depend on agricultural related activities for their livelihoods. Thus, this sector needs a lot of technical and professional support for its growth through training and human resource development. Therefore, human resource development in the sector has to be adequate and ready to take agriculture as a business in line with changing worldwide trends that are more sustainable and environmentally friendly (CSO,2005:2).

Background

Government, from the early 1990s, embarked on serious policy reforms that eventually affected the majority of sectors within a period of 10 years. The first draft of the National Agriculture Policy to guide and direct the development of the agricultural sector was formulated around that period. Consequently, the National Agriculture Policy (2004 to 2015) has since then provided a general framework in which the current agricultural development agenda in the country has taken place. The central thesis of this paper is to establish the adequacy of National Agricultural Policy in addressing entrepreneurial education in Agricultural Training Institutions. MACO (2004) records that Government’s agenda for ensuring agricultural growth, poverty reduction and food security has been guided by the following agricultural development policies and strategies: (i) the National Agricultural Policy; (ii) the Vision 2030, and the National Development Plans such as the Sixth National Development Plan; (iii) various specific policies and strategies guide development in the sector. The
Ministry of Agriculture and Livestock has ten Agriculture Training Institutions namely; Natural Resources Development College, Zambia Institute of Animal Health, Popota Tobacco Training College, Zambia College of Agriculture (Mpika and Monze), Kasaka Fisheries, Cooperative College, Zambia Centre for Horticultural Training and Palabana Dairy Training Institute which support human resource development in the agricultural sector (GRZ, 2011).

**Literature review**

A considerable amount of literature has been published on entrepreneurial education. These studies show that entrepreneurial education is a better strategy to facilitate economic participation among young people (Kandemir and Acur, 2012). It is the most effective method for bridging the gap between technology, creating new enterprises and self-employment (Rahman and de Feis, 2009). A number of researchers have reported that supporting entrepreneurial education through adequate policies could achieve sustainable growth for business activities and self-employment. Entrepreneurial education in agricultural training institutions develops entrepreneurial capacities and mind sets in students (Consortium of Entrepreneurship Education, 2004). The foundation of any business is normally drawn mostly to entrepreneurs. Entrepreneurial education promotes skills for self-reliance (Kaplan and Warren, 2010). This calculated situation needs that those who practice it must be taught and well mentored. Sustainable economic growth in Agriculture depends on a strong National Agricultural Policy (Driver, 2012). Taylor and Richards, (1985) reviewed that human resource in training institutions should be equipped with appropriate entrepreneurial skills and knowledge in order for them to have a positive impact in society. Consequently, contents, theories, aims, objectives and pedagogies should be thoroughly inspected and mapped to entrepreneurial education (Ronan, 1995).

It has also been demonstrated that a strong National Agriculture Policy is fundamental to Entrepreneurial Education. It gives guidance on the formulation, alignment of objectives and contents of entrepreneurial education curriculum. It empowers management and training officers to build a vision for the future of their institutions. Management and training officers explore new opportunities and educational aspirations. Kreitner and Cassidy (2011) demonstrated that when a good policy framework is in place, it inspires and helps training authorities formulate sustainable entrepreneurial programmes. Financial resources are allocated to training institutions in accordance to given policy guidelines.

In the new global economy, entrepreneurial education has become a central issue in finding solutions to unemployment. It is a fast-growing area. One of the key factors explaining this phenomenon is the fact that wage employment, particularly in the public sector is no longer a guarantee. A longitudinal study of the *Education Dilemma Policy Issues for Developing Countries in the 1980s* by Simmons (1980) reports that entrepreneurial education can support learners develop and pursue entrepreneurial careers which may help them become successful self-employed people. It provides learners with the skills to take action and not to stay idle but make changes which will improve the environment within their community. Stevenson and Lundström, (2005) have argued that if entrepreneurial education is to have a single purpose, it should have a strong legal framework as well as articulated for improvement in the quality of life or, put in another way, the provision of life skills for graduates. (Cooper and Dunkelberg 1987) established that entrepreneurial education as a measure of policy, embraced by government, reduced mass poverty and unemployment. It entails a philosophy of self-reliance and productive environment, promoting new sets of attitudes in training institutions for the attainment of future challenges.

A broader perspective has been adopted by (Agi and Yellowe 2013). They demonstrate that National Agriculture Policy needs focus in tackling employment by reorganising small and medium scale enterprises. A good policy should help determine the way the production forces are organised. Gartner, (2001) found that the encouragement of good policies helps the dispersion and expansion of entrepreneurial education which broods economic activities and induce even development. Conversely, entrepreneurial education should be perceived as a catalyst to increase the rate of economic growth and create job opportunities.

In the same vein, Meany (1994) in his book *State Policy and the Development of Taiwan’s Semiconductor Industry* notes that training institutions must cultivate well-prepared students who
should meet the intensive global competition. Equally, detailed examination of Policy and entrepreneurship by Lichtenstein, Lyons, and Kutzhanova (2004) showed that the concept of developing entrepreneurial education programmes should be guided by good policies. They note that human being’s life is the implementation of every specific activity. Besides, if the object of training was to prepare individuals for their future careers, then the specific activities should help develop skills and knowledge that will enable students to successfully be self-employed. A good policy in place should be able to support this. They contended that well-functioning, appropriate and stable policy framework conditions, incentives and support formed the basis of a good entrepreneurial education (Charney and Libecup, 2000).

There has been an increased interest in entrepreneurial education within the education system and the society in general with an increase in courses, incubators and other activities oriented to promote the topic of entrepreneurial education (Kelly, 2010). Previous studies have reported that there are a variety of viewpoints directing the development of entrepreneurial education policies and a range of policy tools designated for countries in the world. It is likewise certain that consideration needs to be dedicated on the development of a framework that integrates policy measures and strategies to resolve challenges in various sectors of the economy. Arising from their research, Stevenson and Lundström (2005:60) established six policy priorities for entrepreneurial education policy framework namely:

1. Upholding entrepreneurship principles
2. Encouraging Entrepreneurial education in schools
3. Promotion of an atmosphere beneficial for start-ups enterprise: reducing barriers for entry to business, eliminating obstacles to industry and tax reforms,
4. Making available loans for new enterprises and seed capital
5. Delivering enterprise start-up support, such as incubators, networks and electronic business support;
6. Targeting underprivileged groups.

Gabr and Hoffman, (2006) used five drivers of entrepreneurial education to promote national agricultural policy namely Opportunities, Capital, Ability, Motivations, and Attitude. Panagiotou, (2008), has been exploring the development of entrepreneurial education frameworks for some time now. These framework measures are actually a set of policy tools to attain precise objectives in entrepreneurial education development. A policy framework is a collection of all policies to attain a set of objectives (UNCTAD, 2010).

Entrepreneurship and education policy are both roots of entrepreneurial education policy. In the context of the synopsis of research available on the connection of National Agricultural Policy and entrepreneurial education; Lauzikas and Cernikovaitė, (2011) observe that policy makers ought to narrow the perspective of the challenges involved in self-employment by concentrating on precise competence achievements in existing training institutions, enterprises and potential entrepreneurs. In the face of an increase in unemployment, nations should change the focus of their policies to facilitating new firm creation by equipping students with necessary entrepreneurial skills, knowledge and attitudes. They focused on four design principles that support formulation of entrepreneurial education policy framework namely; agreement with development partners who should contribute to a national entrepreneurial education strategy with extensive consultation between the government and representatives of all sectors of namely: business activity, education and financial institutions. Application of the policy guidelines by all line Ministries, as well as executing agencies which should include the private sector whose roles should be clearly defined and feedback mechanisms from lessons learnt with good guiding principles for support of entrepreneurial education should be well spelt (Gibb, 2002).

**Objective of the study**

The major objective of this study was to investigate the adequacy of National Agricultural Policy in addressing entrepreneurial education of selected Agricultural Training Institutions in Zambia. The study sought to answer the research question of how adequate entrepreneurial education was
addressed in National Agricultural Policy. This study provides an exciting opportunity to advance our knowledge of the relation between entrepreneurial education and national agricultural Policy.

**Problem statement**

Research has revealed that entrepreneurial education has about ninety percent (90%) bearing on all enterprises in growing economies and entrepreneurs provide fifty percent of jobs in such countries (Anho, 2013). There is an absence of documented proof of analysis of national agricultural policy on entrepreneurial education for Agricultural Training Institutions (Mayoux, 2001). The study sought to fill the knowledge gap on National Agricultural Policy and provision of entrepreneurial education for Agricultural Training Institutions in Zambia.

**Theoretical framework**

The study is hinged on rational and alignment model that best fits the specific needs of entrepreneurial education in Agricultural Training Institutions. The multi-step model was aimed to be logical and followed an orderly path from problem identification through to finding solutions (Porter, 2004). With this theory in view, the researchers conceptualised that policy was needed for entrepreneurial education. Porter argued that policy was an important factor that influenced training objectives and new enterprise growth. The theory revealed the significance of infrastructure, curriculum development, financial and human resources towards augmenting the entrepreneurial capacity to act on learned opportunities. Policy influences the way training authorities craft their curriculum and conduct their business. The theory emphasises the important role policy plays in facilitating effective and efficient formulation of contents to respond to objectives and desired outcomes in a society. It stresses policy guidelines as prerequisites for quality entrepreneurial education (Stacey, 2007).

**Methodology**

Generally, the research design integrated both qualitative and quantitative research methodologies. The main methods of data collection were questionnaires and interviews guides. The questionnaire had both closed and open-ended questions. The essence of combining data collection methodologies was to capture as much information from the respondents as possible. A total sample size of 63 was used. For the interviews, 23 respondents were interviewed comprising 10 Senior Officials from Ministry of Agriculture and Livestock at the level of Director or Assistant Director, 10 Principals or Vice Principals (Management of Agriculture Training Institutions), 5 former Principals or Vice Principals of Agricultural Training Institutions, 3 officials from Zambia National Farmers’ Union, 2 officials from Technical Education Vocational and Entrepreneurship Training Authority and 3 officials from University of Zambia School of Agricultural Sciences. Questionnaires were administered to 40 Heads of Departments of Agricultural Training Institutions. Purposive random sampling procedure was used. Quantitative data was analysed using frequencies, percentages and tables. While qualitative data was analysed thematically. The approach to data collection was designed to attract and gain participation from Agricultural Training Institutions and other stakeholders’ samples (Roscoe and Lang, 1975). Secondary data was collected through reports, documents and available literature at Ministry of Agriculture and Livestock (MAL) Web based information was also accessed.

**Findings and discussions**

In discussing the findings of this research, regarding National Agricultural Policy, the study revealed that there were a number of innovative activities in Zambia directly addressing entrepreneurship. For, example Citizenship Economic Empowerment Commission, Cooperatives, Commercial Banks and Zambia Development Agency that promoted small scale enterprises. The objective had also highlighted the views of various stakeholders on the adequacy of the National Agriculture Policy in addressing entrepreneurial education in Agricultural Training Institutions of Ministry of Agriculture and Livestock. The study revealed that the current National Agriculture Policy did not adequately address entrepreneurial education in Agricultural Training Institutions. The
institutional frameworks in the National Agricultural Policy, for facilitating entrepreneurial education in Agriculture Training Institutions, were loosely developed. Although there were clear indications of collaborative work involving Government and entrepreneurs, entrepreneurial education was not mainstreamed into policy strategies. The National Agriculture Policy, both in terms of content and strategies did not appear to achieve the desired result of entrepreneurial education as they tended to be biased towards production compared to enterprise development. It was also observed that the present National Agriculture Policy was anchored on production and food security. The Policy review showed fragmented sectorial strategies and policies on entrepreneurial education. Along with emphasis on the growth of the agriculture sector, there is however, increasing concern over increased unemployment a general lack of comprehensive institutional frameworks and legislation to address the issues of entrepreneurial education in Agricultural Training Institutions were observed as major constraints in job creation. There was general awareness of the potentials and opportunities that entrepreneurial education in Agricultural Training Institutions could contribute to the Zambian economy. Nonetheless, there was a lack of clear approaches on how to exploit these potentials and opportunities in Agricultural Training Institutions which entrepreneurial education provided (FNDP, 2006).

The national agricultural policy from 2004 to 2015

Tenets

The National Agriculture Policy does not relate any of its contents on entrepreneurship to any of the ten (10) Agricultural Training Institutions under review, thus providing a weak link on entrepreneurial education for Agricultural Training Institutions. However, it has pointed to the Technical Education Vocational and Entrepreneurship Training Act, No. 13 of 1998 on the Legal Framework for Livestock production subsector as a viable subsector for employment creation.

Institutional framework

Agricultural training in the country is offered at various institutions namely the University of Zambia (Degree Level), Natural Resources Development College (Diploma Level), Mpika and Monze Agricultural Colleges (certificate and Diploma levels). Veterinary training is provided at the University of Zambia (Degree Level) and the Zambia Institute of Animal Health (Certificate Level). Others are Kalulushi, Chapula and Kasaka Farm Training Institutes and Palabana Livestock Development Trust and Farm Training Centers also provide short-term, demand driven courses. Some training institutions under the Ministry of Higher Education which also offer courses in Agricultural Mechanics. Co-operatives education and training is provided at the Co-operative College, Katete Centre of Marketing and Co-operatives and Kabulamwanda Co-operative Training Centre. Other training institutions such as the Natural Resources Development College (NRDC), Zambia College of Agriculture (ZCA-Mpika and Monze), the University of Zambia (UNZA) and Copperbelt University (CBU) would be encouraged to introduce the co-operatives concept in their training programmes (MACO, 2004). There is neither established legislation nor enactment of any Agricultural Training Act. This presents a weak link with other training institutions especially those with the mandate of providing entrepreneurship in the country.

After analysing the National Agriculture Policy, in order to get other people’s perspectives, the research had to administer interviews and questionnaires for the purpose of triangulating.

Table 1. Effect of national agriculture policy on entrepreneurial education

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Non-Response</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>8 (20%)</td>
<td>21 (52.5%)</td>
<td>11 (27.5%)</td>
<td>0</td>
<td>40 (100%)</td>
</tr>
</tbody>
</table>

A total of 8 (20%) of the respondents generally agreed with the assertion that the Agricultural Policy has had a positive effect on the entrepreneurial education in Agricultural Training Institutions in Zambia. Out of these, none of the respondents strongly agreed with this assertion. Only 8 (20%) of the respondents agreed with this statement. On the contrary, a total of 32 (80%) of the respondents
generally disagreed with the assertion that Agricultural Policy has had a positive effect on entrepreneurial education in Agricultural Training Institutions in Zambia.

During the focus group discussions, it was widely held that entrepreneurial education had not been adequately addressed in the National Agricultural Policy. “Issues of entrepreneurship need to be mainstreamed in National Agricultural Policy if unemployment was to be resolved observed one respondent. But it appears that entrepreneurship is merely a lip service on the political agenda, in the end we are back to the same point in a circle. Policy makers assume too much that entrepreneurship would resolve itself”, commented one respondent. “Entrepreneurship is a new phenomenon hence it is hardly understood. It calls for expert sensitisation. “That way job creation would be enhanced and government will certainly broaden its tax base because there is great potential for employment creation in the agriculture sector as exhibited by women and men who sell agro products in the streets” bemoaned some respondents. There has been a lot of uncertainty in undocumented policy pronouncements on self-employment by senior government officials. The quality of training offered in Agricultural Training Institutions was being questioned, due to high poverty levels and unemployment, which lacked proper policy guidelines from government. It was further confirmed by the fact that even the Department of Cooperatives which was under the Ministry of Agriculture had since been moved to the Ministry of Commerce, Trade and Industry hence defeating the fact that agricultural Cooperatives provide a large number of jobs for the masses, observed some respondents. That confirmed the fact that agriculture was merely production oriented, said one of the respondents.

It was reported that many training officers did not have entrepreneurship skills and there was no policy for them to undertake training in entrepreneurship related programmes. Some informants were dissatisfied with the quality of graduates produced in Agricultural Training Institutions. It was noted that quality of graduates was compromised because of lack of practical equipment and lack of policy directive to the development of trained human resource in agriculture and other related specialisations in Agricultural Training Institutions. The mismatch in terms of the Agricultural Training Institutions curricula and agricultural policy posed a lot of challenges for students when they graduated as they had to look for employment in the formal sector which was readily available. They had poor orientation whilst in the Colleges to stand on their own. Most of the respondents bemoaned the deteriorating standards in Agricultural Training Institutions caused by poor and sporadic funding which could not support the purchasing of practical equipment and other training materials to support Agricultural Training Institutions curricula.

Some respondents observed that a lack of commitment by policy makers in terms of entrepreneurial education coupled with poor and sporadic funding for income generating activities and production units in Agricultural Training Institutions led to deteriorating standards in teaching. It was extremely difficult to develop and implement programmes e.g. entrepreneurship in a situation where people did not perceive that there was a need for a specific policy guideline bemoaned some lecturers. “Government should ensure that policies are linked to the overall direction and goals of the agricultural training curriculum”, reported some of the respondents. They mentioned that “the overall framework of the Agricultural policy needed to provide some strategic direction and that would be important in assessing the direction of Agricultural Training Institutions programmes and graduates in the field”.

Relevance of national agriculture policy in terms of entrepreneurial education

Fifty-four (85.7%) of the respondents expressed the need to strengthen the subject content and methodologies in Agricultural Training Institutions if quality had to be realised. It was noted that sporadic funding needed to be discouraged and that the Ministry of Agriculture and Livestock needed to design a suitable programme on entrepreneurship or Business management so as to achieve sustained relevance of job creation and self-employment. One of the respondents commented that good agricultural policy would contribute to the reduction of casualisation in Zambia. It was further reported that any changes in the Agricultural Training Institutions curriculum needed to be subjected to broader consultations with all stakeholders in the country. It was further reported that Agricultural policy should provide Agricultural Training Institutions direction and hold relevant stakeholders accountable for the outcomes of the curricula.
Utilisation of graduates from agricultural training institutions

Forty-seven (74.6%) of the respondents said the youth cohort was a vast resource that was significantly underutilised. It was important that support was targeted at groups with the greatest potential in particular those unemployed youths who already possessed professional skills and competencies in agriculture and other related programmes like fisheries and nutrition that could be transferred through coaching and mentorship. One of the respondents said it was essential for graduates from Agricultural Training Institutions were made aware of the important range of empowerment programmes that had been put in place by the government of Zambia. The government should have a deliberate policy to give resources to these graduates as a start-up business. When they got established, they could employ others and this could increase the tax base for the country, and reduce poverty.

Most of the respondents interviewed 55(87.3%) observed that National Agriculture Policy focused on production, productivity of crops, fish and animals; but had not addressed entrepreneurial education in Agricultural Training Institutions to enable graduates to be self-employed or come up with start-up enterprises.

Most of the respondents strongly felt that entrepreneurial education needed to have been addressed thoroughly in the National Agriculture Policy because of high levels of poverty and youth unemployment in the country. Others noted that the National Agriculture Policy needed to address the real needs of Agricultural Training Institutions i.e. infrastructure development for practical training which was key to skills impartation and entrepreneurial education in order to have profitable ventures in the Agriculture Sector. “That would eventually increase the tax base for government revenue”, commented one of the respondents. Most Agricultural Training Institutions training officers and some eminent retired Principals of Agricultural Training Institutions talked to noted that the Government had tried crop and animal marketing through various parastatal companies in a bid to provide employment since independence, until the liberalisation of the economy in 1991. However, “issues to do with entrepreneurial education have always been done unsystematically and there has never been a time when government had committed itself fully to mainstream entrepreneurial education through a National Agricultural Policy. Some senior officials talked to mentioned that the National Agriculture Policy has always been in draft form until 2004 when the first document was finalised” said some respondents. Some respondents felt that as long as the National Agriculture Policy did not address entrepreneurial education it would be very difficult for Agricultural Training Institutions to fully commit the curricula or any programme to entrepreneurial education. “A lack of policy guidelines on entrepreneurship is actually injurious to our youths who are the majority participants in trading of agricultural products who will always look to government for employment”, said one of the respondents. Others observed that the National Agriculture Policy and Agricultural Training Institutions curricula would remain loosely linked in terms of preparing the students to be self-employed if consideration was not made to mainstream entrepreneurial education in the National Agriculture Policy for Agricultural Training Institutions. It was reported that the students had challenges in finding employment and difficulties in starting up their own enterprises in society upon graduation as there appeared to be no support or policy guidelines on entrepreneurship.

The following were further observed:

1. At Agricultural Training Institutions the organizational structures, depicting how various positions relate and work with each other, were elaborate. These presented approved/established, proposed and at times improvised frames, but in all cases presented functional frames for management of the colleges;
2. There was evidence of participatory management systems in place at most colleges via technical committees addressing key areas of the colleges such as finance, procurement, admissions, examinations and others. The current Principals are dedicated and innovative who need to be given some latitude to run the colleges;
3. Funding for the Agricultural Training Institutions was mainly from government with donors’ contribution being nominal. While most of the funds were from government, the disbursement was ‘erratic’, untimely and always below the budgeted amounts. This has
made colleges find means of generating additional funds through Income Generating Activities (IGAs);
4. Amounts from such ventures were small and variable, but in all cases, they were recognised as important resource in meeting college obligations such as paying for maintenance, complementing student feeding, investing in development projects (IGAs) and paying staff allowances doing extra work. Institutions are well endowed with natural resources which can be turned into income generating ventures with proper business planning but as was noted most IGAs were done without any laid out business plans;
5. It was observed with concern that the diversity of programmes, as dictated by the mandates of the colleges, resulted in duplications as a popular programme were ‘copied’ by other colleges without due consideration of the capacity to deliver quality training. Issues of staffing and available infrastructure seemed to be given less weight than the financial benefits accruing from running the programmes.

Conclusion

This study provides a systematic assessment of entrepreneurial education and National Agricultural Policy as a means of contributing to self-employment. National Agricultural Policy, as a stand-alone policy may be impeded and will not be effective if the principle of entrepreneurial education is not considered. The study concludes with a description of how the National Agriculture Policy can help support Agricultural Training Institutions through the creation of an enterprise culture. It argues that, policies should be aligned to resolving gaps in employment with comprehensive entrepreneurial education strategies and supported by other relevant policies for example education policies (MOE, 1996). It suggests that a sound legal framework that allows integration of entrepreneurial education policy strategies should be crafted. The study has also demonstrated that there is need to mainstream entrepreneurial education in the National Agriculture Policy. Entrepreneurial education empowers students to build a vision for the future. It has also shown that there is need for government to open up its institutions for mentorship and grooming of new graduates in line with entrepreneurial education principles. This guidance could also be extended to other relevant industries. The suggested model is critical for the Government of Zambia to develop sustainable business enterprises and entrepreneurial culture. It also contends that a national agricultural policy promoting business novelty must correspondingly include instruments stimulating entrepreneurial education such as adequate qualified human resource, comprehensive curriculum development, adequate learning infrastructure and financial resources (Datta, 2011). It further argues that policies promoting agricultural training should be measured in the perspective of a ‘holistic’ entrepreneurial education policy framework. Entrepreneurial education results in formation of new firms based on novelty ideas. Firms of such kind have relatively high-growth potential for job creation (Bridges, 1995).

Recommendations

After the study had analysed the adequacy of National Agricultural Policy in addressing entrepreneurial education in selected Agricultural Training Institutions in Zambia using field information from key stakeholders and secondary data. It came up with the following key specific findings and recommendations:

There is need to re-look at the Agricultural Training Institutions starting from policy level. Appropriate Acts of Parliament to support this strategic intervention in all agricultural training institutions need to be enacted. It is not an acceptable status that prisons produce food to feed themselves when agricultural colleges fail to do so. A provision that should allow these institutions to have a commercial orientation component in their structure must be worked out. Finally, there has to be a mind-set change at Ministry of Agriculture and Livestock Head Quarters, with regard to training, if anything has to change at these institutions, which as alluded to above are an invaluable asset.
Based on the findings, the following recommendations were made

1. The coordination of the Agricultural Training Institutions should be housed in a special Directorate that would oversee the entire training function on behalf of the Ministry of Agriculture and Livestock. This would improve the integrity of training as a process. This was alluded to in previous studies of the World Bank (World Bank (2011)).

2. The training institutions should be rationalised on a discipline basis allowing for concentration of expertise. In this regard all fishery and aquaculture training must be at one institution. Kasaka Fisheries Training Institution should host such training at both Certificate and Diploma levels. Similar rationalization should be extended to animal science and health discipline with Zambia Institute of Animal Health hosting the training. Agricultural marketing and agri-business should be a ‘branding’ programme for Cooperative Colleges.

3. Katete Institute should be transformed into a Zambia College of Agriculture-Katete to cater for agro-ecological region II. In this regard it is strongly suggested that programmes at the three ZCA be harmonized but allow for ‘branding’ related to local agricultural production challenges.

4. Each college should establish business venture wings, whose objective would be to generate funds for college developmental agenda.

5. All training institutions should develop business plans with which they would use to solicit for financing from financial institutions. This would require a closer look at the policy related to Revolving Fund so as to extend or modify it to allow training institutes to borrow.

Curriculum development and review

1. The exercise of curriculum development and review has been going at different paces at the colleges and it is time this is coordinated and, therefore, it is recommended that there be a college-wide curriculum exercise to bring to pace the courses and programmes. The exercise should provide for harmonisation of programmes and be led by a single team. It is further suggested that the affiliation of colleges be coordinated by the proposed Directorate for quality assurance purposes. To ensure quality training it is suggested that an inspectorate be created to oversee quality assurance across all colleges.

Human resource

1. The qualifications of staff and the numbers need to be improved if the Agricultural Training Institutions are going to offer quality agricultural training. It is, therefore, recommended that a semi-reform process be undertaken for the Agricultural Training Institutions only to fill all posts with qualified staff. It is further recommended that a fast track training programme similar to the one the Ministry of Education has with UNZA School of Education be worked out to respond urgently to the need to upgrade the staff.

Further it is recommended that all training staff be trained in pedagogy as offered by Technical Education Vocational and Entrepreneurship Training Authority (TEVETA) affiliated training institutions.

Infrastructure

1. To ensure good support to training programmes the infrastructure must be improved since this is a mammoth task which requires deliberate study of the state of infrastructure. The current study has established that the state of the infrastructure is so bad that a detailed evaluation of the exact and extent of the deterioration of the infrastructure be done. It is, therefore, recommended that a separate study looking at the infrastructure, which should include structures, machinery and equipment be carried and this should look at options of replacement, repair and acquisition of new items.

2. There are infrastructure aspects that can be immediately addressed and these relate to information accessibility by students. It is recommended that all institutions be connected to internet and that an e-library be introduced at all institutes.
Management and Administration of Agricultural Training Institutes

(a) It was noted that institutional policy changes recommended in the past has received little attention and their implications are still valid to date.

Revisited World Bank report recommendations on policy for possible implementation.

(b) It was observed that coordination of agricultural training was through two Agricultural Training Institutions Coordinators at Ministry of Agriculture and Livestock, but given the diverse of the disciplines encompassing animal health, horticulture, agricultural marketing to general agriculture, in the colleges such support cannot come from one office thus renders the support rather weak.

References


Impact of Management by Objectives [MBO] on the Employee Productivity in Vodafone Ghana

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Abstract

The objective of the study is to establish the impact that MBO (Management by Objectives) has on employee productivity. 

MBO is a Management tool where by the managers of an organization sit with their subordinates to agree on the objectives or goals of the organization; set targets, follow the targets, monitor and then evaluate the targets. 

Many of today’s organization have been able to meet their goals because there is a clear understanding of what the mission and vision of the organization is. Also, there is a clear strategy which aligns with the mission of the organization. 

MBO was made popular by the Management guru, Peter Druker in his 1954 book titled ‘The Practice of Management’. It also became further popular in the 70s through the 90s and is still popular. 

The study tries to establish the relationship between understanding the objectives by employees/managers on one hand and employee productivity on the other hand. Vodafone Ghana was taken as a case study. A total of 36 employees responded to the questionnaires/interviews granted. Questionnaires and oral interviews were used as sources of primary data. 

The overwhelming majority of the employees that responded agreed or even strongly agreed that MBO has a positive impact on employee productivity. 

The company was privatized about a decade ago where the majority ownership was taken by Vodafone. Soon after acquisition, Vodafone began to implement management tools that saw the firm’s operational efficiency further increasing. 

One of such management tools implemented is the MBO, and which has worked for the firm. The relationship between the managers and employee in objective setting was seen to be crucial in the productivity of both the employees and the organization. 

Keywords: Management, Objectives, Employee, Productivity, Impact, Organization.

Introduction

Management of an organization requires modern management tools in order to help achieve its objectives. 

Management is defined as ‘doing things through people and with the people’. Objective is what the organization strives to achieve. These objectives can be sales volumes, quality, cost reduction, production efficiency, raw materials usage, promptness to work by staff, service delivery, etc. 

MBO is a management tool whereby managers and subordinates agree to organization’s targets. In this case, personal goals are converted to organizational goal as the achievement of set targets is in itself motivating. 

Prior to MBO, many organizations have in the past strived to achieve set targets but this has been difficult due to one reason or the other. Where other management tools have not yielded positive results, MBO had to step it to enable the organization achieve its set targets.
MBO has proved useful in many organizations that have adopted it. Managers and employees agree to organizational objectives and remain focused and committed to the goals. MBO is result driven, in that employees strive to achieve goals they set for themselves.

However, for an MBO model to work effectively the managers and employees must have understood the objectives of the organization and their actions are in direct congruence to the objectives. Employees are therefore involved in planning, control and decision making of the organization.

It is generally believed that the employees, when carried along by their managers, seem to have higher productivity in the tasks assigned to them. However, a lot depends on the situation and this should determine how the employees are ‘carried along’.

The application of McGregor’s theory Y becomes significant under the MBO model. MBO works better with theory Y which believes that employees like work and are motivated by their achievements (on the contrary, theory X believes that human beings are generally lazy and have to be compelled to work). Therefore, for the MBO model to work effectively or be practicable, the environment should be theory Y oriented.

MBO is therefore a good management tool that enhances productivity. Also, it is flexible and employees are given the chance and opportunity to contribute to the settings of the objectives. Since employees are involved in the objective setting, it is quite natural that they follow and strive to achieve the goals they have set. Individual goals are converted to into organizational goals and vice versa.

Managements require so many tools in order to be able to manage businesses on a daily basis. One of many such ways is the popular MBO. As explained earlier, it is a means by which superiors and subordinates identify areas of responsibility with the intended objective, and with an intention of meeting the objective in the most efficient manner. MBO has proved to work well in solving attention-directing questions. Once standards are set and rewards are also set for those standards, employees seem to be motivated by those standards set and they also strive hard to achieve such results.

MBO is seen by many as a framework by which the organization can ultimately see light at the end of the tunnel, i.e. achieve its strategic goals. It is a kind of a guide as to what goals the firm wants to achieve and the means to go about it, with clear measurements of the objectives.

MBO is very much about output in relation to input. Therefore, it is efficiency-oriented. Outputs have to be measured against input and that gives indication as to whether or not management should pursue the objectives. The objectives are not cast in stone as they can be reviewed and altered at any time if they seem not to be working effectively.

In general, MBO should have the following features:

- The managers sit with their subordinates from time-to-time to ensure that the subordinates understand clearly the goals of the firm and map out how these goals will be achieved. This can be done through retreats, for example.
- The goals set should not be too many at a time in order to achieve maximum efficiency. The less the number of goals, the better the chances of success.
- Management should keep rewarding successes achieved by employees. This will further encourage them to perform better. Due to possible lack of motivation, employees were less productive during the pre-privatization era, before introduction of MBO.
- All units of an organization should have a thorough understanding of the goals of the organization in order to have goal congruence at the organizational level. It is only when employees move in one direction that goal congruence can be met.
- From time –to-time review the processes for possible improvements.

For MBO to be effective, the employees have to understand the objectives and must be committed to these objectives.

For Vodafone Ghana, MBO is meant to increase productivity of the employees/firm, which it did.
Research methodology

In order for an effective result, some methodology was used in obtaining and analyzing data. Primary source of data collection used were questionnaires and interviews. A total of thirty-six (36) employees responded to questionnaires and/or interviewed.

Vodafone Telecom is one of the most organized and orderly establishments in Ghana. Therefore, it is more convenient to obtain data from here that many other organizations. Hence, the main reason for selecting Vodafone Ghana for this study. Vodafone Ghana provides fixed line, mobile and data services

Research design

The section is concerned with the design and methodology adopted for the study. It basically defines the research design, population and sample size determination sources of data, questionnaire/interview administration. A research design can also be termed as formulated framework for a plan of action and the particular procedures to follow.

A research design aims to assist the researcher to follow the guidelines for his/her research work. The research design also involves some of the major decision taken by the researcher as well as the difficulties, techniques and the efficient use of resources by the researcher.

For a fair representation of data and the results obtained, random sampling was used to collect data. Thus, this ensured that whatever outcome obtained will be representative of the entire population when projected. This is a simple process and does not require any human interference.

Sampling techniques date back many centuries when carrying out studies as, in many cases, it is not possible to study an entire population within a given space of time.

Population

The sample selected cuts across the various strata of the employees of Vodafone Ghana, with no regard to rank, position or social standing. Also, samples were from both genders.

Thus, the result obtained can be projected to represent the entire population in the organization.

One problem encountered is that out of total of 50 questionnaires and/or interviews granted, only the 36 mentioned above responded. The response rate is therefore 72%.

Another problem was, even for those that responded, there was a lot of reluctance and time wasting before a response can be achieved. This caused some delay in gathering the reviewing the data.

Other issues included fear of revealing official information by staff due to ethical concerns, etc.

Sources of data

Data was collected from two main sources – primary data and secondary data.

Primary sources of data

As stated earlier, these were questionnaires and oral interviews conducted with the employees. This is a first-hand source of data obtained from the staff of Vodafone Ghana. Interviews and interviews were conducted with utmost confidentiality.

The interviews/questionnaires were developed based on the stated objectives of the study. A five-point scale was used thus: 5 - strongly agree, 4- agree, 3- undecided/indifferent, 2- disagree, 1 – strongly disagree.

The interviews and questionnaires cut across all departments.

Secondary sources of data

Other than the primary data, other sources were also used to collect data. These are the secondary sources of data. They include mainly references from books and journals regarding the subject matter.

Also, by observing the employees over time, it was noticed that those that participated in objective setting with their managers seemed more enthusiastic in carrying out their assignments.
Data analysis

The data so received is to be analyzed in order to make a meaningful meaning out of the various amounts of data. The data so gathered is grouped and re-grouped in order to make meaning to the users of the information.

The questionnaires were designed in such a way that they were easy, straightforward and clear to understand. A Likert-type scale was used to group and interpret the data. After grouping, data was tabulated and presented.

Results of research

This section tries to depict the findings from the responses from the respondents of the questionnaires and interviews.

The following MBO scenarios were linked with the questionnaires and the interview; performance based on objectives set together, zeal to carry out work by the employees with little or no supervision, satisfaction derived from achieving the results. It is obvious that MBO has a significant positive impact on employees’ productivity.

As will be seen in later sections, the overwhelming majority agreed or strongly agreed that MBO has an impact on the achievement/productivity, based on objectives set.

The employees also have the zeal to carry out their tasks when objectives are agreed between them and their managers. The employees also derive satisfaction from achieving the targets set.

Discussion

This section deals with the in-depth feedback from the respondents. As mentioned earlier, 36 respondents took part in the survey and the details of the responses are further explained in tabular forms in a later section.

In the questionnaires and during the interviews, the respondents were made to concentrate in the three areas where MBO is seen to have impact – performance/productivity, zeal to carry out work and personal satisfaction.

Impact on performance

Out of the 36 respondents, 21 strongly agreed that MBO has an impact on performance. This represents 58% of the population. Also, 8 respondents agreed to this representing another 22%. Therefore, a total of 70% either agreed or strongly agreed with this.

Three (3) respondents are indifferent - representing 8%, while 2 respondents disagreed – representing 6% of the population. Another 2 respondents or 6% also strongly disagreed.

Zeal to carry out work

Nineteen (19) respondents strongly agreed that MBO has a positive impact on the zeal to carry out the work, representing 52% of the population. Additional 9 respondents agreed, representing 25% of the population. Therefore, those that either strongly agreed or agreed combined represent 77% of the population.

Four of the respondents are indifferent – representing 11% of the population. Two disagreed – representing 6% of the population, while another two strongly disagreed – representing another 6%.

Satisfaction derived

Seventeen (17) respondents strongly agreed that MBO has an effect on satisfaction derived by objective setting. This represents 47% of the population. Eleven (11) respondents agreed, representing 30% of the population. Those that either strongly agreed or agreed collectively represent 77% of the population.

Four respondents are indifferent – representing 11% of the population. Two disagreed representing 6%, while another two strongly disagreed – also representing 6%.
Overall, from the above it can be seen that the overwhelming majority have at least agreed that MBO has an impact on the operations of Vodafone Ghana.

Conclusion

It is clear that Vodafone Ghana has taken assessment of itself through a SWOT analysis (strengths, weaknesses, opportunities and threats). Previously, there may have been internal weaknesses during the time the company was wholly government-owned, before the company was privatized about a decade ago. Before privatization, the company (then Ghana Telecom) was unlikely to have adopted MBO; hence the firm was not efficient in its operations.

It may also be that the firm was previously adopting the scientific management approach, according to Fredrick Tailor. This approach may be the wrong approach for Ghana Telecom considering modern day businesses where some flexibility is in vogue and is creating success for many organizations. Rigidity is no longer a principle of management. Vodafone Ghana management is obviously flexible in their approach now.

In her book titled “The Giving of Orders”, Mary Follet outlined that governance should have some form of flexibility. She outlines that an appropriate decision is the one in which it is depersonalized. In this manner, management and employees are objective and they convert personal goals to organizational goals. There should always be a good balance between the objectives of the employees and those of the enterprise. This is what Vodafone Ghana have tried to achieve, from the results of the study.

According to Peter Druker, objectives are set along with employees, which should have the following characteristics: challenging, motivating, communication and feedback, reward and performance-related, people-oriented.

The organization also adopted the S.M.A.R.T. goals approach (specific, measurable, attainable, realistic and time-bound). There has also been employee participation and power sharing among the employees.

According to B&FT Online, Vodafone Ghana amassed 20 key awards in 2017 – highlighting a year in which the company consolidated its position as a company of choice in Ghana.

The telecommunications sector underwent key changes; notably, increased competition, market consolidation and a heightened demand for choice by customers. Despite all these, Vodafone was unrelenting in its quest to provide unmatched experience for customers whilst stepping up its community investment initiatives.

Among the key awards won included Program of the Year – Healthline (CIMG), Best Brand of the Year (UKGCC), Best Advert of the Year (CIMG), Industry Personality of the Year – CEO (GITTA), Best in Employee Relations (HR Focus) and Top 50 Corporate Women Leaders in Ghana.

G. Mensah, Director for External Affairs at Vodafone Ghana said:” These are testament to the commitment we continue to put in to ensure we constantly reflect what we stand for as a company. A new year has begun and we will not rest on our laurels in delivering on our promise of an exciting future of endless possibilities for our customers.”

Vodafone has begun the new year on a great note by extending the popular promotion. Customers can now share airtime purchased via Vodafone Cash with five other people and experience an empowerment of being part of a caring family.

However, Vodafone Ghana should note that adopting MBO in itself does not cure all the organization’s problems, as in many cases employees do not seem to understand what the organization’s objectives are in the first place.

It is also advisable for other organizations in the country to try to emulate Vodafone in the steps taken so far to adopt MBO and other governance practices. This will further encourage competitiveness as well as give benefit to the consumer in enjoying efficient and effective service delivery.

This research has brought out many good attributes of MBO in running an organization. MBO is seen to promote professionalism and ethics as it covers issues such as transparency (setting of goals together),
fairness (agreeing the objectives), objectivity (realistic goals), independence (goals not imposed to the employees) and responsibility (goal congruence between organizational goals and personal goals), etc.

MBO will have to align with the strategy, mission and vision of the organization in order to be effective. Where the organization wants to be in the next 5 – 10 years has to be communicated and well understood to the workers, otherwise MBO can only become an academic exercise. Once the “script” of mission and vision is communicated and understood to the employees, the rest in objective setting will become seamless.

In reality, the success of MBO requires each manager to draw up what is expected of them in their various units in line with company strategy. This has to be understood by all the other employees in order for the objectives to be met within the stipulated time.

The process of MBO is as in the following steps;

- Set the organization’s objectives. This is knowing what the goals are.
- Cascade the objectives to employees so that workers are aware of their responsibilities. This can be achieved by discussions with the employees.
- Monitor the employees while they carry out their tasks. This can give a true idea of the zeal that the employees have while carrying out their tasks.
- Evaluate the employees’ performance to ascertain if they are going according to plan. Where performance is not going according to plan, re-direction can take place. It is possible that some of the employees did not understand the objectives set, in the first place.
- Reward performance. This serves as a motivational effect and it is an essential part of MBO

Advantages of MBO

- There is commitment by both the managers and the employees.
- It serves as a direction to the attainment of organizational goal. There is consistency in goals.
- Serves as motivation when employees achieve result.
- The objectives of the company are in constant view.
- Helps to avoid wastages and inefficiencies
- Helps management to be more creative by thinking ahead.

Disadvantages of MBO

- When goals are not understood by employees, then MBO is ineffective.
- It should not be relied upon if planning is poor
- Eventually, employees and their managers get involve in paperwork other than the real issue of attaining the organizational goals.
- If it becomes annual or quarterly ritual, then MBO will fail.
- When there is no clear division of responsibility, then MBO will fail.

Figures and tables

Table 1. Effect of MBO on the achievement of performance based on objectives sets together (managers/employees)

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<tr>
<th>Position</th>
<th>Population</th>
<th>Percentage (%)</th>
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<tr>
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<td>58</td>
</tr>
<tr>
<td>Agree (4)</td>
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<td>22</td>
</tr>
<tr>
<td>Indifferent (3)</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Disagree (2)</td>
<td>2</td>
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Table 2. Effect of MBO on carrying out tasks by the employees with little or no supervision

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<th>Population</th>
<th>Percentage (%)</th>
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<tbody>
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<td>Total</td>
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Table 3. Effect of MBO on satisfaction derived from achieving results

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<th>Population</th>
<th>Percentage (%)</th>
</tr>
</thead>
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</tr>
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<td>6</td>
</tr>
<tr>
<td>Strongly (1)</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
<td>100</td>
</tr>
</tbody>
</table>

References

Employee Motivation Incentives and Their impact on The Organization's Productivity

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Abstract

This article presents literature on employee motivation incentives and evaluates their impact on organizational productivity. The article aims at explicitly highlighting the effect of incentives on different elements that influence organizational productivity. A qualitative analysis of literature was employed to consolidate literature that informed the study. The findings indicate that incentivizing the organization's activities undertaken by human resources helps in improving organizational productivity. The results showed that incentives increase productivity by enhancing the following elements; employee work performance, employee engagement, innovation and creativity, organizational commitment and job satisfaction. This finding will provide useful information to organizations when designing incentive schemes and analysing their functions and general impact.

Keywords: Employee motivation, incentives, organizational productivity, motivators.

Introduction

Improvement of organizational productivity is one of the principal functions of the top management in any institution. Radically, organizational productivity is enhanced and determined by a variety of elements such as; corporate culture, communications, systems and tools, training and development, motivation and incentives, planning and programmes, control and reporting, staffing, structure, process, strategy, goals and objectives (Cording et al., 2014). However, a growing body of literature suggests that employee motivation is fundamental (Becker et al., 2018).

Contemporarily, the focus on employees has increased due to the fact the different trends such as globalization, automation, organizational culture changes have become rampant. Such changes have also altered characteristics of employees; hence, organizations ought to adapt their human resource management strategies (Caliskan & Isik, 2016). One of the critical facets of contemporary adaptation is employee motivation. Motivation is undertaken to ensure the commitment of human resources and other members is enduring. As a human psychological trait, motivation influences the level of engagement in a person’s behaviours (Hennessey et al., 2015). In general, motivation involves imparting on individuals in a way that the impact can act as a primer to exceptional performances. Employee motivation encourages individuals to adopt purposive behaviours and have the desire to put in an effort and achieve specific goals and objectives. This level of motivation, a variety of dynamic factors are considered as well as an appreciation of different theories of motivation.

Motivation refers to the force that encourages individuals to garner their objectives. The concept can be extrinsic where motivations are harnessed from outside the person or intrinsic where motivation is derived from the person instead of external influence. The positive results associated with motivation have led organizations to continuously sought to motivate their employees and in tandem, increase their productivity. Lack of employee motivation can dictate the failure of an organization; thus, it is imperative for organizations to devise new methods of employee motivation depending on employee characteristics. If suitable arrangements are used, productivity generally increases, and when different strategies are employed, negative results such as high employee turnover and low performances are witnessed (Deci and Ryan, 2014). From this perspective, this research will seek to evaluate employee motivation Incentives and their impact on the organization's productivity.
Definition of employee motivation

There is no standard definition of employee motivation. Naile & Selesho (2014), define employee motivation as imparting purposeful behaviours that can propel employees towards the primary goals of the organization. Lazaroiu (2015), defines employee motivation as the provision of the steering force to employees so that they can pursue professional and organizational goals and objectives.

Reasons for employee motivation

Homberg et al. (2015), posit that organizations engage in employee motivation to enhance job satisfaction because of the lack or presence of motivation influences satisfaction. Job satisfaction is an essential facet in employee motivation as it affects the quality of work and the willingness to work. Fernandez & Moldogaziev (2015) argue that job satisfaction is pegged on the capability of individuals to benefit from specific motivators such as recognition, promotion, personal growth, and success. Hence, employee motivation is undertaken to improve job satisfaction. Employee motivation is employed to increase employee loyalty. Iqbal et al. (2015) explain loyalty itself is an example of commitment where employees are willing to sacrifice their self-interests and further the company’s objectives. Thus, employee motivation strategies are used to demonstrate that mutually beneficial partnership is being adhered to whereby employee’s sacrifices are dully recognized and compensated. Organizational commitment is also a fundamental element that provides an impetus for employee motivation. This commitment is commonly fostered through rewards in that “the rewards one receives from an organization and the experience one has while achieving the reward impacts the extent of the attachment an employee has toward an organization” (Smith, 2015). Employee motivation is vital in augmenting the willingness to remain at a particular institution and desire to achieve its goals.

![Image](image_url)  
*Figure 1.* The interaction between intrinsic and extrinsic motivators with employee loyalty and commitment, adapted from, Smith (2015)

The need to achieve organizational goals also underpins the need for employee motivation since motivated employees have the desire to garner these goals. Furthermore, employee satisfaction and promoting a healthy human resource is identified as an important reason to motivate employees. Most organizations use incentives to foster physically and mentally healthy workforce by catering for their psychological needs. Employee motivation is used to provide socialization and promote the tenets of teamwork and collaboration at the workplace. Additionally, employee motivation is employed to recognize the inputs and achievements of human resource as a method of satisfying their esteem needs. Lastly, the practice is used to guarantee the financial security of employees.
Incentives and types of incentives

Faisal et al. (2015), define incentives as things that motivate a person to undertake specific actions whether through cooperation or as an individual. There are different types of incentives employed in workplaces to motivate employees. These are;

Offering incentive plans

These plans are used to motivate employees through mutual benefits. It takes different forms depending on its suitability as an organization. Firstly, bonus pay is typically employed to encourage employees in production; marketing and sales professions where the organization offers bonuses after predetermined goals are achieved. Performance units are incentive plans where the top management is rewarded after the company achieved predetermined financial milestones. Thirdly, Poole (2017), advances that profit-sharing incentive plan is also used to motivate employees. In such programs, pre-taxed profits are distributed among employees depending on set parameters such as position held within the organization, longevity of the employee at the organization, performance metrics and amount of services delivered. Lastly, the incentive plan can offer stock options to workers that wish to invest in the organization.

Financial rewards

Money is a primary element in addressing social/security and physiological needs. Hence, financial incentives are given to employees as rewards for hardwork and instil the motivation to achieve more. These incentives are offered through the provision of cash prizes to employees to motivate them to achieve specific goals or reward them for making such goals. These incentives are calculated as percentages of sales closed or can be fixed amounts. They have actualized through organizations bonus-programs or profit sharing. The financial rewards can also come in the form of spot bonuses. They are commonly used to reward aspects such as teamwork, regular attendance, innovation, service excellence, and job performance. Another strategy involves offering pay and benefits to employees to encourage employee loyalty and commitment. However, Garbers & Konradt (2014), argue that employee motivation is achievable through the use of monetary rewards under certain levels although extended use can potentially erode teamwork and cohesiveness. Additionally, financial incentives are limited in efficacy when job dissatisfaction in evident or when employees are self-actualized. Hence, incorporation of nonfinancial incentives is essential.

Non-financial incentives

The human resources are the most valuable resource in an organization; hence, motivating them towards personal and organizational goals is essential. For an organization to encourage employees, non-cash-based incentives are employed in the creation of value to the worker. Firstly, organizations can provide, work environment that is diverse, inclusive, safe and productive for workers such that job satisfaction levels are high. Creation of a positive atmosphere at work helps in fostering knowledge sharing, eliminations of conflict, setting goals and soliciting employee input; these elements are vital in enhancing employee motivation.

Employee motivation is also enhanced through recognition and rewarding of employees for their achievements by honouring them publicly and encouraging their contributions towards the company. According to Shaw & Gupta (2015), praising employees and recognizing them helps in fostering enjoyable working environments; this helps in inspiring employees towards achieving and creating value for the company. Rewards and recognition are also essential in employee motivation as it enhances initiative, creativity, and innovativeness in employees. Employee motivation is increased by elevating the promotion potential of employees through constant feedback, provision of training and development opportunities, helping employees fulfil career goals and keeping them informed about the company. Job enrichment to add more challenges, scope and responsibilities motivate employees as they seek to accomplish their own career goals. Furthermore, employee empowerment and autonomy are essential motivators given that it inspires the acquisition of positive skills and confidence in subordinates.
Team incentives

These are incentives offered to teams when they complete team initiatives. The incentives are afforded to groups relative to their performance and predetermined performance goals. However, Babcock et al., (2015) argue that such incentives lead to uneven workload distribution and limit healthy competition among employees as recognition and reward of top performers is forgone, and teamwork is prioritized.

Impact of incentives on organization productivity

Incentives are essential in instituting higher employee engagement which is significant in augmenting organizational productivity (Saks & Gruman, 2014). Fundamentally, engaged employees are characterized by their willingness to protect the interests of the organization as well as an enthusiasm to work. The concept of employee engagement is covered under behavioural, emotional and cognitive perspectives which are similarly exploited by incentives. Higher organizational productivity is achieved by curing employee disengagement stemming from issues such as; negative organization culture, poor management, lack of upward mobility jobs, lack of engaging jobs, limited employee benefits, inadequate salaries, the strain on mental well-being and poor working conditions. Long-term employee engagement which is related to increased organizational productivity is attained by injecting incentives in HR management. Targeted benefits and rewards such as profit-sharing, work environment improvement, flexible scheduling, training, and development are promulgated to improve employee engagement which translates to increased organizational productivity.

Innovation and creativity are important in increasing organizational performance and productivity. As such, irrespective of the type of change, whether, it is corporate, technological, process or product innovation will positively impact on the productivity of the company. This innovation and creativity are commonly driven by implementing incentives for innovation. Incentivising innovation aspects such as collaboration and teamwork help in increasing organizational productivity as a result of an increased change. For instance, the incentive of recognition has been highlighted as an essential element in the establishment and sustaining a productive innovation community which translates to increased productivity. Additionally, increased productivity emanating from innovation is underpinned by the incentive of creating an appropriate working environment that facilitates development and exploitation of intellectual property. Furthermore, Faisal et al., (2015) advance that organizational productivity is achieved through incentive fuelled innovation by reinforcing creativity through performance related incentives and rewarding macro-innovation.

According to Lee & Steers (2017), organizational commitment is an essential element in increasing organizational productivity. Organizational commitment is defined as, “the Emotional attachment that an employee felt for an Organization to adopts characteristics or perspective of the organization” (Khan et al., 2016). To achieve this commitment, offering intrinsic and extrinsic incentives to employees is fundamentals. Organization productivity increases by minimizing negative aspects of HR such as turnover, absenteeism, lateness, withdrawal behaviour and resistance to change by using incentives to instill organizational commitment. Additionally, organizational commitment achieved through incentives improves organizational productivity by augmenting employee job performance, employee engagement, job satisfaction, and employee welfare.

A study conducted by Imran et al. (2015) showed that organizational productivity correlates with job satisfaction which is harnessed from incentives. Ali et al. (2016) advance that incentives such as profit sharing and performance-related pay routinely increase job satisfaction among employees. This feeling of happiness emanating from incentives is derived from higher worker optimism and rewarding environments which are associated with high organizational productivity. As such, Edwards (2016) advances that, increased job satisfaction is directly correlated to 6.6% increase of organizational productivity while a study conducted the University of Warwick indicated that jobs satisfaction accounts for 12% increase in organizational productivity. These increases in productivity are induced by incentives which increase the dedication to work, the drive to succeed and improve in creativity.
According to Oswald et al. (2015), the use of performance related-pays (PRP) as an incentive increases the intensity of work in the workplace. A research study conducted by (Lucifora, 2015), indicates that performance-related incentives increase the labour productivity of employees by 5% and organizational productivity by 9% by stimulating employees to work optimally and influencing the recruitment process to highly talented employees. Additionally, these incentives increase productivity as employees view PRP as positive and reasonable trade-offs that require them to contribute towards the institution's success. Apart from this, organizational productivity is increased by incentives due to selective employee sorting where high-productivity workers are selected, hired and retained. Lastly, PRP incentives that are underpinned by an equitable distribution mechanism increases organizational productivity by enhancing trust in management, organizational commitment, and job satisfaction.

However, it is imperative to note that incentives can lead to poor performance in an organization. Garbers & Konradt (2014), argue that the use of incentives leads to stress, overwork, complaints on the distribution of pay and contentious behaviours. For instance, the use of financial incentives to award individuals in a team may lead to individualism and increased competition as employees seek individual recognition and reward; this precedent affects employee well-being, collaboration as well as limiting organizational productivity. Reduced productivity is associated with employees working to further their course as well as leading to a lack of trust in the management in cases where profit-related incentives are used; this reduces the productivity of an organization.

Conclusion

The objective of this article has been to evaluate the subject of incentives and assess its impact on organizational productivity. Fundamentally, there are different forms of incentives such as; financial and non-financial incentives, intrinsic and extrinsic incentives and individual or team incentives. Application of these incentives generates various effects with increased organization productivity being a necessary result of incentivizing the workplace. From the analysis, it is shown that incentives improve organizational productivity by impacting positively on the critical determinants of organizational performance. The determinants impacted upon by incentives to increase organizational productivity are; employee work performance, employee engagement, innovation and creativity, organizational commitment and job satisfaction. Leveraging these determinants and augmenting them with incentives leads to increased organizational productivity. However, literature has given caveats on the use of incentives because it can lead to individualism, entitlement to financial rewards and poor motivation of employees during recessions. In general, offering incentives to human resources is vital in improving organizational productivity. Hence, the organization ought to leverage the plethora of incentive schemes and strategies as an option of boosting productivity.

References


Relationship of Work-life Balance and Work Place Performance of Employees in Sri Lanka

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Abstract

In the companies that the researcher has worked, something apparent was the fact that some employees were happy at work and also glad to be employed in their positions. On the contrary the researcher observed that some others weren’t content in their places of work. It was also observed that those who were happy performed well and the others who weren’t content lacked in their performance. This initiated the thinking of whether there is any relationship of work-life balance and work place performance. If employees underperform it would affect productivity and eventually the bottom-line of the organization in which they work. This led to the desire to conduct this research relationship of work-life balance and work place performance. Further, as the scope and extent of this research was so vast, it was conceptualized to limit the study to an accessible sample within the national boundaries of Sri Lanka hence the research title: “Relationship of Work-life Balance and Work Place Performance of Employees in Sri Lanka”.

The researcher has conducted this research study by carrying out both quantitative and qualitative research amongst a wide cross section of the Public and Private Sector employees. Researcher has used 500 sample in major industries of Sri Lanka Amongst them office staff, field staff and employees of different levels was included. Different industries, such as agriculture, construction, health care, manufacturing and industrial institutions was considered as much as those in the public sector such as ministries, government departments, semi-government and government owned business undertakings.

Introduction

The topic of the thesis is broadly related to the areas of Work-life balance and its impact to the productivity, with special focus on Work –life balance it will increase employee happiness as well as productivity during the working hours. It is also closely connected with human psychology.

In the companies that the researcher has worked, something apparent was the fact that some employees were happy at work and also glad to be employed in their positions. On the contrary the researcher observed that some others weren’t content in their places of work. It was also observed that those who were happy performed well and the others who weren’t content lacked in their performance.

Today have unusual stress and this was observed as being due to pressure by the employers who ultimately strive to achieve higher productivity and a greater bottom-line, and this pressure cascades right down to the bottom of the employment pyramid. How does this affect their own happiness, health and above all their family life? It is a known fact that a person from an unhappy home is often likely to underperform in their places of work than those from a pleasant home.

The research attempts to find these influences so that this new knowledge will provide both employers and employees to achieve work-life balance and work place performance, in fact improve work place performance. Toffoletti and Starr (2016) asserts that work load decreases effectiveness of employees and that leads to unhappy employees. They in particular concerns about women’s work-life balance and their work place performance and they believe that because of the unbalanced nature in a women’s work life has created many conflicts in their personal lives.

From the researcher’s own observations, it can be added that this is not exclusively for women but common to both genders in Sri Lanka. The researcher plans to conduct this research study by carrying out both quantitative and qualitative research amongst a wide cross section of the Public and Private Sector
employees. Amongst them office staff, field staff and employees of different levels will be included. Different industries, such as agriculture, construction, health care, manufacturing and industrial institutions will be considered as much as those in the public sector such as ministries, government departments, semi-government and government owned business undertakings.

Objective of the study

The goal of this study is to investigate the relationship between work-life balance and workplace performance, find out which causes of family life may affect to the workplace success or failures of employees, and how it is important to the organization.

- Investigation and determine causes for workplace performance
- Find out the causes affect to increase workplace satisfaction?
- Find out importance of Work-life balance for healthy life.
- To find out the importance of flexible working hours for work-life balance
- To find-out the relationship between work-life balance and workplace performance

Identification / Defining research problem

The greatest challenge that organizations are confronting today is the poor productivity of employees during their working hours. Lack of commitment and inefficient working style affecting to the overall development of the society. The researcher observed many employees are unsatisfied with their job role due to heavy and restless workload, hence its leads to increase the number of stressful employees in both private and government sectors. It was also observed that employees who performed are enjoying their family life as well as personal-life. The researcher plans to conduct this research to understand the causes which make underperforming employees of both private and public sector in Sri Lanka.

Research questions

1. What is the influence of work life balance on performance of the employees in Sri Lanka?
2. What is the influence of work life balance on job satisfaction of the employees in Sri Lanka?
3. What is the influence of work load on performance of the employees in Sri Lanka?
4. What is the influence of long working hours on performance of the employees in Sri Lanka?

Conceptual frame work

This is an explanatory model and specifies the nature of hypotheses of the study, which were set out in diagrammatic form of figure
Hypothesis

H0: It is hypothesized that Work-life balance and employee satisfaction will not be significantly related
H1: It is hypothesized that Work-life balance and employee satisfaction will be significantly related
H0: It is hypothesized that work-life balance increases, employee conflicts will not decrease
H2: It is hypothesized that work-life balance increases, employee conflicts will decrease
H0: It is hypothesized work-life balance increases, health issues and stress will not decrease
H3: It is hypothesized work-life balance increases, health issues and stress will decrease
H0: It is hypothesized that Work-life balance and workplace performance will not be significantly related
H4: It is hypothesized that Work-life balance and workplace performance will be significantly related

Review of literature

There is no any universally acceptable theory or definition of work-life balance. But universe has understood importance of this topic. Therefore, many research and articles can find about work life balance. The research has referred wide range of literatures for better research. This chapter explain and argue many aspects of Work-Life balance with the reference of past research and articles.

Introduction

Work life balance is the phenomenon of striking an ideal balance between the professional life of an individual and their personal life with all of their respective associations (Clark, 2000). The level of importance being given to this phenomenon these days is because of the harmful results brought about because of the severe lack of this phenomenon. According to the research paper, *Is Happiness Relative?*
An effective work life balance makes a person happier and more content (Veenhoven, 1991). Coupled with the increase level of stress experienced by the majority of professionals in every field according to the latest studies (Beehr & Newman, 1978), the need becomes evident there is a need to want to know what is the importance of integrating work life balance into our lives. Thus, it is widely accepted that considering maintaining work life balance in all of one’s affairs is the current need of the hour.

Work life balance

Theoretical definitions

Work-life balance is a broad concept, defined in different ways by different researchers using diverse dimensions. Work life balance was initially termed as work family conflict, Kahn et al. (2008), defined as “a form of inter role conflict in which the role pressures from work and family domains are mutually incompatible in some respect. That is, participation in the work (family) role being made more difficult by virtue of participation in the family (work) role”. Marks and Mac Dermid (1996) defined role balance as “the tendency to become fully engaged in the performance of every Role in one’s total role system, to approach every typical role and role partner with an attitude of attentiveness and care. Put differently, it is the practice of that even-handed alertness known sometimes as mindfulness”. In simple terms, work–life balance is defined as “the extent to which individuals are equally engaged in and equally satisfied with work and family roles”. Kirchmeyer (2000) also defined a balanced life as achieving satisfying experiences in all life domains.

Materials and methods

Research design

The researcher was gathering secondary data from different industries to understand the performance level of employees during last five years. The sample was dividing to two phases according to their performance by investigation KPIs. Through the questionnaire researcher was investigate their family, personal life, health, working hours and workplace satisfaction.

Target population

GDP concern three major industries in Sri Lanka such as Service, Agriculture and industries. There are many sub industries under these three major sectors. The target population consisted of 10 sub industries which is cover all three major industries both government and privet sector in Sri Lanka.

Sample and sampling technique

Sample size

A sample is a portion or part of the population of interest. The 10 industries participated in the study with the population of employees in the both government and privet sector being 7,904,038 according to Sri Lanka labor force survey annual report (2016), from where a sample size was drawn.

Sample size of at least 385 people or more would be necessary. The research has done with 500 samples in selected industries.

Data collection

The researcher was plan to use interval scale which also known as likert scale for all variables in this study ranging from 1 = ‘Strongly dis agree’ until to 5= ‘Strongly agree’. The questionnaire was distributing among selected samples in various sectors. The researcher was planned to distribute questionnaire through human resource department of selected companies. Total 500 has responded for questionnaire out of 600 (83%).
Statistical methods applied in analysis

In order to subject the data to statistical testing, the collected data will be coded and analyses SPSS (Originally Statistical package for the Social Sciences) version 24 for Windows. The data will also be tabulated with frequency tables and percentages using MS-Excel.

Results and discussion

Introduction

Many organizations are highly concern about their productivity during the operation. But still they not concern about relationship of work-life balance and productivity. The ultimate objective of this research is find impact of WLB for productivity improvements. The chapter elaborate the method of data collected to achieve research objective through the conceptual frame work. This will describe the findings deeply and it will test the hypothesis which was given.

This chapter focuses on presenting the findings and discussions of the study by detailing the general characteristics of the study sample, descriptive study, the aggregates of the variables, the correlation analysis of the dependent and independent variables. The chapter details the research findings and discussions on the strength of the model; test of hypothesis and the summary. The chapter also presents analysis and findings of the study as set out in the research methodology. The study findings were presented showing influence of work life balance on performance in the both government and privet sector industries in Sri Lanka. The data was gathered exclusively from the semi-structured questionnaires as the research instrument. This instrument was designed in line with the objectives of the study. The results here were presented in frequency tables and discussions.

Subsequently empirical results of other statistical tools were discussed in the research with the purpose of testing hypotheses and demonstrate the relationship among key variable of the conceptual model.

Work place dominant

<table>
<thead>
<tr>
<th>Work place Dominant</th>
<th>SD</th>
<th>DA</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>St. Devi.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average actual hours work per week</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I never work on Poya days</td>
<td>24.4</td>
<td>18.2</td>
<td>24.2</td>
<td>16.4</td>
<td>16.8</td>
<td>2.83</td>
<td>1.403</td>
</tr>
<tr>
<td>I’m doing overtime often</td>
<td>21.8</td>
<td>11.6</td>
<td>22.8</td>
<td>18.2</td>
<td>25.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>My work responsibility reasonable and manageable</td>
<td>4.8</td>
<td>7</td>
<td>25.4</td>
<td>26.4</td>
<td>36.4</td>
<td>3.83</td>
<td>1.141</td>
</tr>
<tr>
<td>I can finish my day work during working hours</td>
<td>6.4</td>
<td>21.6</td>
<td>21.6</td>
<td>24</td>
<td>26.4</td>
<td>3.42</td>
<td>1.252</td>
</tr>
<tr>
<td>I can take leave comfortably</td>
<td>11.6</td>
<td>16.6</td>
<td>25.6</td>
<td>25</td>
<td>21.2</td>
<td>3.28</td>
<td>1.267</td>
</tr>
<tr>
<td>There are some people to manage my work during my holidays</td>
<td>22</td>
<td>17.8</td>
<td>29.6</td>
<td>18.2</td>
<td>12.4</td>
<td>2.81</td>
<td>1.305</td>
</tr>
<tr>
<td>I have social value and respect due to my job role and position</td>
<td>5</td>
<td>4.2</td>
<td>11.8</td>
<td>30.8</td>
<td>48.2</td>
<td>4.13</td>
<td>1.097</td>
</tr>
</tbody>
</table>

The results of the study on work place dominant indicate that 43.8% of the respondents agreed that they are doing overtime often and 33.4% are never doing overtime in their career. This supports the finding by Burke and Greenglass (1999), who posited that in term of job attitudes, employee reporting high levels of both work-life and life-work conflict tend to exhibit lower levels of job satisfaction and organizational
commitment. However, 39.8% disagreed with the statement of "There are some people to manage my work during my holidays but 50.5% are telling that they can manage their works during working hours."

**Family life dominant**

Table 2. Family life dominant

<table>
<thead>
<tr>
<th>Family Life Dominant</th>
<th>SD</th>
<th>DA</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>St.Di</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have enough time to spend with my family and friends</td>
<td>9.4</td>
<td>18.6</td>
<td>32</td>
<td>25.4</td>
<td>14.6</td>
<td>3.17</td>
<td>1.172</td>
</tr>
<tr>
<td>I’m going outing with my family and friends often</td>
<td>8.6</td>
<td>24.6</td>
<td>24.8</td>
<td>27.6</td>
<td>14.4</td>
<td>3.15</td>
<td>1.193</td>
</tr>
<tr>
<td>I never do my office work at home</td>
<td>14</td>
<td>17.2</td>
<td>23.6</td>
<td>18.2</td>
<td>27</td>
<td>3.27</td>
<td>1.387</td>
</tr>
<tr>
<td>I have enough time to attend my family events</td>
<td>6.2</td>
<td>20</td>
<td>31</td>
<td>27.4</td>
<td>15.4</td>
<td>3.26</td>
<td>1.129</td>
</tr>
</tbody>
</table>

Findings on family life dominant in table below indicate that 40% of respondents agreed that they wished they would be spend time with family and friend, with 42% of respondents also agreeing that they are going outing with their family and friends. Quite a majority of respondents 45.2% agreed on the statement that they never do their office work at home. Finally, 42.8.5 respondents are agreed that they have time to attend family events. However, this figure showing agreed amount of respondents are not more than 50%. Many are neutral in this question and one third of employees are not agreed with the above statements.

**Moderate variable**

Table 3. Moderate Variable

<table>
<thead>
<tr>
<th>Moderate Variable</th>
<th>SD</th>
<th>DA</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>St. Devi.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I never get stress due to my work</td>
<td>10.6</td>
<td>24</td>
<td>29.2</td>
<td>20.6</td>
<td>15.6</td>
<td>3.07</td>
<td>1.222</td>
</tr>
<tr>
<td>I do not have chronic illness</td>
<td>17.6</td>
<td>10</td>
<td>12</td>
<td>22.6</td>
<td>37.8</td>
<td>3.53</td>
<td>1.505</td>
</tr>
<tr>
<td>I have enough time to do exercise</td>
<td>18.6</td>
<td>23.2</td>
<td>27.2</td>
<td>18.4</td>
<td>12.6</td>
<td>2.83</td>
<td>1.28</td>
</tr>
<tr>
<td>I didn’t get medicine during last year</td>
<td>21.6</td>
<td>24.8</td>
<td>22.2</td>
<td>16.2</td>
<td>15.2</td>
<td>2.79</td>
<td>1.358</td>
</tr>
<tr>
<td>I never have conflict with my family members due to my job role</td>
<td>12.2</td>
<td>17.6</td>
<td>22.2</td>
<td>22.2</td>
<td>25.8</td>
<td>3.32</td>
<td>1.34</td>
</tr>
</tbody>
</table>

With the analysis of moderate variables 36.2% are agreed with the statement of “I never get stress due to my work” and 34.6% are not agreed. However, 29.2% are not agreed or disagreed for the statement this is showing that one third of respondents are suffer with stress and one third are not suffer with stress. In the other statement of chronic illness 60.4% are agreed that they don’t have chronic illness in their life. When it comes to the exercise 41.8% respondents are telling that they don’t have enough time to do an exercise. However, an overwhelming majority, 58% agreed that they have no conflict among family members due to job role or job stress.
Analysis of variables

Table 4. Independent variable and moderate variable

<table>
<thead>
<tr>
<th></th>
<th>Never get Stress</th>
<th>No chronic illness</th>
<th>No Family conflict</th>
<th>No Work Conflict</th>
</tr>
</thead>
<tbody>
<tr>
<td>No work load</td>
<td>0.757</td>
<td>0.651</td>
<td>0.084</td>
<td>0.777</td>
</tr>
<tr>
<td>working hours</td>
<td>-211</td>
<td>-319</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsibility is manageable</td>
<td>0.707</td>
<td>0.637</td>
<td>0.854</td>
<td>0.739</td>
</tr>
<tr>
<td>High job demand</td>
<td>-41</td>
<td>0.155</td>
<td>0.299</td>
<td>-31</td>
</tr>
<tr>
<td>Flexible leave policy</td>
<td>0.737</td>
<td>0.74</td>
<td>0.67</td>
<td>0.669</td>
</tr>
<tr>
<td>Family Responsibility</td>
<td>0.177</td>
<td>0.075</td>
<td>0.43</td>
<td>0.302</td>
</tr>
<tr>
<td>Gender</td>
<td>-49</td>
<td>0.018</td>
<td>0.081</td>
<td>0.075</td>
</tr>
<tr>
<td>Marital status</td>
<td>-153</td>
<td>0.036</td>
<td>-318</td>
<td>-73</td>
</tr>
<tr>
<td>leisure time</td>
<td>0.552</td>
<td>0.532</td>
<td>0.655</td>
<td>0.56</td>
</tr>
</tbody>
</table>

Pearson Correlation was used to analyze the strength of association between all variables in this research study. The result, the Coefficient of Correlation (r) is 0.757. Based on the decision rule, there is strong positive correlation between work load and stress. The significance level is 0.000 which is below 0.05 (p<0.05). Based on the decision rule for significant level, we reject the null hypothesis. Therefore, we conclude that “There is a positive relationship between employee work load and level of stress”.

This means that stress will be increase when increase the work load of employees. Further research will be discussed about relationship of stress level and satisfaction of employees, and also discussed level of performance of the employees.

The result, the Coefficient of Correlation (r) is 0.637. Based on the decision rule, there is strong positive correlation between work load and health issues. As the above significance level is 0.000 which is below 0.05 (p<0.05). Based on the decision rule for significant level, we reject the null hypothesis. Therefore, we conclude that “There is a positive relationship between employee work load and health issues”.

This means that health issues will be increase when increase the work load of employees. Further research will be discussed about relationship of stress level and satisfaction of employees, and also discussed level of performance of the employees.

The result showing weak positive correlation 0.084 in between work load and family conflict but it showing strong 0.777 coefficient and correlation in between work load and work place conflict.

Next independent variable which is workload indicated that r = -0.211 while p = 0.000. The result shows that there was a negative significant and weak association between working hours and health issues. third moderate variable which is role conflict indicated that r = -0.311 while p = 0.000. The result showed that there was a negative significant and weak association between working hours and family conflict.

With the result of 3rd independent variable all four moderate variables are showing strong positive correlation with work responsibility while p = 0.000 (Level of stress, r= 0.707, Health issues 0.637, Family conflict 0.854, and work conflict 0.757).

The result, the Coefficient of Correlation (r) is 0.737. Based on the decision rule, there is strong positive correlation between leave policy and stress. The significance level is 0.000 which is below 0.05 (p<0.05). Based on the decision rule for significant level, we reject the null hypothesis. Therefore, we conclude that “There is a positive relationship between leave policy and level of stress”.

76
The result, the Coefficient of Correlation (r) is 0.669. Based on the decision rule, there is strong positive correlation between leave policy and work conflict. As the above significance level is 0.000 which is below 0.05 (p<0.05). Based on the decision rule for significant level, we reject the null hypothesis. Therefore, we conclude that “There is a positive relationship between employee leave policy and work conflict.

The result showing weak positive correlation 0.084 in between leave policy and family conflict and again weak positive correlation showing in between leave policy and health issues.

Table 5. Moderate variable and dependent variable (P= 0.000)

<table>
<thead>
<tr>
<th></th>
<th>Satisfaction</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never get stress</td>
<td>r = 0.801</td>
<td>r = 0.808</td>
</tr>
<tr>
<td>Don’t have health issues</td>
<td>r = 0.719</td>
<td>r = 0.629</td>
</tr>
<tr>
<td>Never family conflict</td>
<td>r = 0.869</td>
<td>r = 0.865</td>
</tr>
<tr>
<td>never Work conflict</td>
<td>r = 0.842</td>
<td>r = 0.909</td>
</tr>
</tbody>
</table>

Pearson Correlation was used to analyze the strength of association between all variables in this research study. The result, the Coefficient of Correlation (r) is 0.801. Based on the decision rule, there is strong positive correlation between level of stress and satisfaction, at the same time result is showing r is 0.808 strong positive correlation in between level of stress and performances.

Further results are showing that high positive correlation in between health issues and satisfaction, correlation and co efficient is r = 0.719. At the same time r = 0.629 correlation is showing by health issues and performance.

Above mention results are showing that there is strong positive correlation in between family conflict, satisfaction and performances however it’s showing again strong positive correlation in between work conflict, satisfaction and performances.

Hypothesis testing

H0: It is hypothesized that Work-life balance and employee satisfaction will not be significantly related.

H1: It is hypothesized that Work-life balance and employee satisfaction will be significantly related.

Table 6. Hypothesis testing 1

<table>
<thead>
<tr>
<th></th>
<th>I’m successfully balance my work and family life</th>
<th>I’m satisfied with my job role</th>
</tr>
</thead>
<tbody>
<tr>
<td>I’m successfully balance my work and family life</td>
<td>Pearson Correlation 1</td>
<td>.938</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>500</td>
</tr>
<tr>
<td>I’m satisfied with my job role</td>
<td>Pearson Correlation</td>
<td>.938</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>500</td>
</tr>
</tbody>
</table>

Pearson Correlation was used to testing hypothesis in this research study. The result, the Coefficient of Correlation (r) is 0.938. Based on the decision rule, there is strong positive correlation between work life balance and workplace satisfaction. The significance level is 0.000 which is below 0.05 (p<0.05). Based on the decision rule for significant level, we reject the null hypothesis. Therefore, we conclude that “There is a strong positive relationship between work life balance and workplace satisfaction.

This means that work place satisfaction will be increase when increase the work –life balance of employees. Further research will be discussed about relationship of stress level and satisfaction of employees.
H0: It is hypothesized that work-life balance increases, employee conflicts will not decrease
H2: It is hypothesized that work-life balance increases, employee conflicts will decrease

**Table 7. Hypothesis testing 2**

<table>
<thead>
<tr>
<th></th>
<th>I’m successfully balance my work and family life</th>
<th>I don’t have conflict with my work</th>
</tr>
</thead>
<tbody>
<tr>
<td>I’m successfully balance my work and family life</td>
<td>Pearson Correlation 1</td>
<td>.828</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>500</td>
</tr>
<tr>
<td>I don’t have conflict with my work</td>
<td>Pearson Correlation .828</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>500</td>
</tr>
</tbody>
</table>

Pearson Correlation was used to testing hypothesis in this research study. The result, the Coefficient of Correlation (r) is 0.828. Based on the decision rule, there is strong positive correlation between work life balance and workplace conflict. The significance level is 0.000 which is below 0.05 (p< 0.05). Based on the decision rule for significant level, we reject the null hypothesis. Therefore, we conclude that “There is a strong positive relationship between work life balance and workplace conflict.

This means that work place conflict will be decrease when increase the work –life balance of employees. Further research will be discussed about relationship of stress level and satisfaction of employees.

H0: It is hypothesized work-life balance increases, health issues and stress will not decrease
H3: It is hypothesized work-life balance increases, health issues and stress will decrease

**Table 8. Hypothesis testing 3**

<table>
<thead>
<tr>
<th></th>
<th>I Have enough time to spend with My family</th>
<th>I don’t have chronic illness</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Have enough time to spend with My family</td>
<td>Pearson Correlation 1</td>
<td>.776</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>500</td>
</tr>
<tr>
<td>I don’t have chronic illness work</td>
<td>Pearson Correlation .776</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>500</td>
</tr>
</tbody>
</table>

Pearson Correlation was used to testing hypothesis in this research study. The result, the Coefficient of Correlation (r) is 0.776. Based on the decision rule, there is strong positive correlation between work life balance and health issues. The significance level is 0.000 which is below 0.05 (p< 0.05). Based on the decision rule for significant level, we reject the null hypothesis. Therefore, we conclude that “There is a strong positive relationship between work life balance and health issues.

This means that chronic illness will be decrease when increase the work –life balance of employees. Further research will be discussed about relationship of stress level and satisfaction of employees.

H0: It is hypothesized that Work-life balance and workplace performance will not be significantly related
H4: It is hypothesized that Work-life balance and workplace performance will be significantly related
Table 9. Hypothesis testing 4

<table>
<thead>
<tr>
<th>I Have enough time to spend with My family</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
<th>I have rewarded for my excellent performance</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Have enough time to spend with My family</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.808</td>
<td>N</td>
<td>500</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>I have rewarded for my excellent performance</td>
<td>Pearson Correlation</td>
<td>.808</td>
<td>1</td>
<td>N</td>
<td>500</td>
<td>500</td>
<td></td>
</tr>
</tbody>
</table>

Pearson Correlation was used to testing hypothesis in this research study. The result, the Coefficient of Correlation (r) is 0.808. Based on the decision rule, there is strong positive correlation between work life balance and employee performance. The significance level is 0.000 which is below 0.05 (p< 0.05). Based on the decision rule for significant level, we reject the null hypothesis. Therefore, we conclude that “There is a strong positive relationship between work life balance and performance.

This means that performance will be increase when increase the work–life balance of employees. Further research will be discussed about relationship of stress level and satisfaction of employees.

Discussion

Introduction

The research has been conducted based on 16 main industries both private and public sectors. 60% outcome has been generated on industries of private sector and 40% on industries in public sector. A majority of female respondents have taken part in the survey compared to male respondents. The generated results indicate that 70 employees are personally committed due to one or more dependents of the family. 86% employees have gained more than 1-year experience in their existing company. However, it demonstrates that many employees have a considerable relationship with their organizations.

Although a majority of the employed are satisfied with their jobs, few reports being satisfied with particulars such as opportunities for progression, flexibility, and employee recognition.

Nearly two-thirds (60 %) of the employed category work more than 45 hours a week and less than half (44 %) are compelled to work on overtime basis in order to complete their work. Further, nearly two third (62 %) among the employed state that they are satisfied with their job and few (13 percent) is not happy with their job role.

However, more than two thirds of (79 %) being satisfied with the social recognition practices of their employer and only one third (35 %) report feeling their employer providing sufficient opportunities for self-progression.

Whilst half (50%) of the employed population are able to finish their tasks during working hours 28% are incapable in managing their work load during office hours. 25% of the employed have not specifically responded to this question.

While one third of the employed population enjoy their leisure with families another one third of same population agonies due to the time lacked being with their families. More than one third (35 percent) of workers detailed that they typically feel tensed or stressed during their day at work and another one third (32%) does not entertain their personal life due to work the workload. Almost half (49 %) informed that low salary and work load significantly impact their stress level at work.

Employees also cite that deficiency of opportunities for growth and improvement rate as (43%), employees involved in heavy workload as (43%), those with unrealistic job expectations (40%) and those occupied in long hours as (39%) as significant sources of stress.
Less than half of the employees (32 %) declared that they receive non-monetary rewards and recognition for their contributions at work and only 57 % reported being satisfied with their employer’s work-life balance practices.

Merely 52 % of employees stated that they feel valued when working, only two thirds reported being motivated to do their best at work and almost a third (32 %) indicated that they intend to seek employment elsewhere within the next year.

Findings show negative correlation between stress level, working hour and overtime. When it comes to work during vacation, it shows positive correlation with stress. Some findings indicate positive correlation between work load and stress level furthermore responsibilities are also positively correlated to the level of stress. Family commitments and also Leisure create positive correlation with the level of stress.

The findings show that there are positive correlations with health issues and workload, not only does it indicate positive correlation between workload and family conflicts further family conflict is positively correlated with overtime and holiday work.

Performance is positively correlated with work load as well as regular working time. There are positive correlations between work load and health issues and there are positive correlations between work load and family conflicts. There is also positive correlation between overtime, working on Poya day and family conflicts. There are positive correlations between performance and work load. Further to it, positive correlation could be viewed between regular working hours and performance and there are negative correlations between working hours, working overtime and level of stress of the employees, but there will be a positive correlation between Poya day working and stress.

Conclusion and Recommendation

Conclusion

This study concludes that work life balance philosophy is associated with real benefits for an organization due to the mere fact that social and psychological life of every employee needs to be rightly put in check for them to be an asset and not just an employee who is used to carry out day to day operations of the organization.

Based on the findings of this study, it can therefore be concluded that government sector industries are practicing work life balance but many privet sector industries are still believing hard work and performance other than the work life balance and performance. But privet sector still survives due to other facilities which they offer to the employees other than the government sector. This implies that work life flexibility practices give employees prerogative to adjust when, where and how they work in order to balance work and non-work demands such as taking leaves to pursue career, for care giving and other personal reasons.

Based on the results of this study, it can be concluded that consideration of family responsibilities aspects that pertains to employees, can greatly influence performance in both privet and government sector employees in Sri Lanka. Child care issues, dependent care and employees having balanced time with the family had a positive and significant linear relationship on the measures of performance which were customer satisfaction, target standards, employee satisfaction. The multiple regression results of this study indicated that there is linear relationship

Between family responsibilities and performance. This would imply a spillover effect to the organization in terms of customer satisfaction, meeting targets and standards and ensuring employee satisfaction hence increased overall performance to the organization and vice versa.

References


Entrepreneurship Uptake A Solution to Unemployment Challenges in Developing Countries: A Study of Nigeria

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Abstract

The increasing rate of unemployment across states of most developing countries is gradually becoming too much to handle for most of their government. It is however evidence that if unemployment rate is allowed to continually grow; couple with mass retrenchment or sack of staff and increasing the population, then the nation is heading towards a shutdown. This study examines entrepreneurship a Solution to unemployment challenges in developing countries: a study of Nigeria. The study adopted descriptive design in the conduction of this study among entrepreneurs spread across six states within the southwestern geopolitical zone in Nigeria. Data were collected from primary sources through the administration of questionnaire to 323 respondents selected using the Area Sampling Technique; and they were analyzed using descriptive statistics. The result of the study revealed that, Factors militating against adoption of entrepreneurship in Nigeria include government policy, Availability and sources of fund, Inadequate knowledge of areas to explore and Family background. Other findings revealed that; entrepreneurship would influence unemployment challenges. Since it helps to improve individual financial capacity, standard of living of the people, faced out Unemployment, turn youths away from all forms of violence and help reduce the poverty level in the country. More findings revealed that, in other to make entrepreneurship attractive to young people, entrepreneurship studies in tertiary institutions should be reviewed and should be practical oriented, government at all level should organize entrepreneurship workshop and seminar in place of worship, communities and other areas of concentration to include other youths, government should endeavour to make soft loan available for entrepreneurs to enable them improve on their productivity, entrepreneurs should be assisted financially (subsidizing cost) to attend international conferences to help and all media platforms should be engage in the campaign for adoption of entrepreneurship using every Nigeria languages.

Keyword: Entrepreneurship, Unemployment, Developing countries

Introduction

The increasing rate of unemployment across states of most developing countries is gradually becoming too much to handle for most of their government. The most recent data released by Nigeria Bureau of Statistics shows that, unemployment index is slated for above 20 million of the total population. Unemployment is gradually becoming a lifestyle among the youth, whereby, after service year (National Youth Corp Service), for a period of one year, they already aware that, they have to wait in search for jobs. This has contributed to the recent questions spreading among the youths, which states that, “what is the benefit of going to a university to waste some years, when those that didn’t border going already are living large and doing great”. This by no means is relegating the pride of education in this part of the world. Aside the fact that Nigeria tertiary institutions produce a lot of graduates every year, most companies and industries like multinational, banks also retrench their staff in numbers. This however is consequential in the continual increase of insecurity, rate of poverty, school dropout among others. This was reiterated in the work of Bokhari (2013), who opines that, one of the most pressing challenges facing government and policy makers is unemployment. He noted further that, the underlying problem is that an
increasing number of youth graduates from high schools, colleges and universities are seeking opportunities in the labour market every year. This problem is mostly peculiar to developing countries, where youths can no longer depend on the public and private sector in providing job opportunities. Therefore, the need to turn to entrepreneurship as an alternative means is now a necessity.

Entrepreneurial development has been conceived by successive government as a programme of activities to enhance the knowledge, skill, behaviour and attitudes of individual and groups to assume the role of entrepreneurs. Taking this into account they have put in place confidence for building successful programmes in different parts of Nigeria (Owualah, 1999 cited in Osemek, 2012). Entrepreneurship involves an application of energy and passion towards the creation of an enterprise and these includes: team work, creative skill to marshal needed resources, fundamental skill of building, solid business plan, and finally, the vision to recognize opportunity where others see chaos, contradiction, and confusion (Arenius, 2004). However, certain factors have been noted to be of high importance to entrepreneurial development in the society. A paper presented at a workshop on entrepreneurship and innovation by Osibanjo (2006) in university of Ibadan which was titled ‘Concept of Entrepreneurship’, shows that, entrepreneurial programme focused on development of youth through passion and multiple skills. The implication of this is that, entrepreneurship is aim at reducing the risk associated with its practices and therefore guide the enterprise successfully through it initial stage to the maturity stage. In concordance with the above, Brown (2000) opined that, entrepreneurial programmes are designed to communicate and inculcate competencies, skills and values needed for recognize business opportunity, organize and start new business venture mainly among the youth.

Furthermore, the pitiable state of joblessness in Nigeria, led the federal government under the regime of Olusegun Obasanjo in 2006, to mandate entrepreneurial studies to be offered by tertiary institutions undergraduates regardless of discipline, so as to reduce the rate of unemployment in the country. This idea was borne out of the fact that, entrepreneurial studies have the capacity to equip students with skills that will aid them in becoming a competent entrepreneur and not job seekers. It also due to the clear evidence that, available space for jobs in Nigeria a both the public and the private sectors cannot accommodate the graduates being produced every year, let alone, the left over. More so, previous effort by the government to curtail unemployment have saw the establishment of various initiative like the National Poverty Eradication Programme (NAPEP) and the establishment of Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) have been introduced to assist the fresh graduates (Okojie, 2008; Osibanjo, 2006). However, the rates of unemployment in the society remain unchanged. This maybe probably due to the assertion of Oluwole (2003), who observed that, the facts remain that most initiatives in Nigeria addressed only the output end of capacity development solving problem. In his study, he procured that, in addressing the input end a complementary approach is required.

According to Bokhari (2013) one of the motivations for studying the relationship between entrepreneurship and unemployment is the policy interest about promoting entrepreneurship as a way of reducing unemployment. Entrepreneurship and self-employment among youth, and the creation of small and medium enterprises is suggested as one of the major sources of employment opportunities for young people. However, entrepreneurship dampens unemployment, unemployment spurs entrepreneurship (Bokhari, 2013 citing Plehn-Dujowich, 2012). On one hand, higher rates of entrepreneurial activities may reduce unemployment rates through self-employment and the consequent creation of new jobs.

Previous work by Audretsch, Carree and Thurik (2004), finds that there is a dynamic inter-relationship between self-employment and unemployment rates. On the one hand, unemployment rates may stimulate start-up activity of self-employed. On the other hand, higher rate of self-employment may indicate increased entrepreneurial activity, reducing unemployment in subsequent period. Also, According to Yakubu (2000), gone are the days, when Nigeria used to be a guarantee for any type of jobs. It has now become a story that in the days of old, all categories of graduates from the university, secondary and even primary schools had the opportunity to have access to any type of job among a pool that was begging for
selection. More so, Oluwole (2003) also reiterated that, if Nigerians are to perform optimally their intervention role in salvaging the never-do-well economy of the nation through entrepreneurship activities, then it becomes necessary that there should be a special fund arrangement such as risk fund or venture capital. It is against this backdrop this study examines, entrepreneurship a solution to unemployment challenges in developing countries: a study of Nigeria.

**Methodology**

**Research design**

The study used descriptive design to obtain information about entrepreneurship a solution to unemployment challenges in developing countries. Data were collected from primary sources through the use of questionnaire distributed to the target respondents randomly. The questionnaire was designed to apply to a heterogeneous population, where the respondents come from the general open public with no bias for gender, education, background and profession. This was done because different level of society has different expectations and needs, therefore the idea of choosing respondents from different background will certainly generate more reliable outcome.

**Population, sample size and sampling technique**

The target population of this study comprise of entrepreneurs in South Western part of Nigeria, who are up to 18 years. The state involved include; Lagos, Ogun, Oyo, Osun, Ondo and Ekiti states. In order for the study to capture a good representation and produce good outcome, the collation of data was distributed over a large population. Considering the complexity of the nature of the population, the sample size of the study was determined using Kish formula at 30% sample size.  

\[ N = \frac{Z^2pq}{d^2} \]

where \( n \) = desired sample size  
\( p \) = proportion of the population that possessed the characteristics= 0.30  
\( Z \) = level of confidence at 1.96  
\( q \) = 1 - p = 1 - 0.30 = 0.70  
\( d \) = level of possession = 0.05  

these implies  
\[ (1.96)^2(0.30)(0.70) = 322.6 \]

(0.05)^2  
Approximately 323.

Since the researcher was dealing with human being, there was tendency for some of them not to return the instrument. It is therefore imperative on the researcher to determine the attrition. It was calculated then-

**Attrition rate of 10%**  
= Initial sample rate x attrition rate (10)  
  \[ \text{Attrition rate} = \frac{n}{10} \]
  
  \[ \frac{323 \times 10}{9} = 359.2 \]

Approximately 359.

359-323= 36. Therefore, the attrition rate of 10%= 36. The total sample size=359.

Furthermore, due to the heterogeneous nature of respondents, the study adopted the Area Sampling Technique which is a form of cluster sampling that focus on respondents’ specialization. It therefore indicates that the areas where entrepreneurs are likely to be clustered in will be used as points of contacts; these areas include; conferences, workshop and various seminars. This sampling technique was adopted because it was not easy to obtain records.
Data collection

The data collection took place in the six states of the study area (Lagos, Ogun, Oyo, Osun, Ondo and Ekiti) in Nigeria. Respondents were approached in their various residence and offices for permission to be involved in the study. Those who accepted to participate in the study were presented with a copy of the instrument (questionnaire) to complete. The objective of the study was explained to them before the completion of the instrument. Data collection was done face to face by the researchers and two research assistants that have been trained by the researchers on how to go about the data collection.

Data analysis technique

Data obtained from the field were edited, sorted and processed into excel speed sheet before transfer into SPSS edition 22. Data was analysed using descriptive statistics. These include mean, standard deviation, minimum and maximum values respectively.

Results

Demographic characteristics

Table 1 below presents Frequency Distribution of respondents by Demographic Characteristics. Results on Sex of respondents revealed that, 67.5% were male, while 32.5% were female. Results on academic attainment of respondents revealed that, 56.0% had secondary education, 24% attained their first degrees while 20% had their post graduates. Results on Religion of respondents revealed that, 78.9% were Christians, while 21.1% were Muslims.

Factors militating against adoption of entrepreneurship in Nigeria

Table 2 above present descriptive statistics showing factors militating against adoption of entrepreneurship in Nigeria. result revealed that, government policy [mean= 4.19]; Availability and sources of fund [mean= 3.80], Inadequate knowledge of areas to explore [mean= 3.30] and Family background [mean= 3.62] are all factors that militating against adoption of entrepreneurship in Nigeria. however Individual career choice [mean= 2.88 does not seem to pose much influence on entrepreneurship uptake.

Entrepreneurship a solution to unemployment challenges in Nigeria

Table 3 above present descriptive statistics showing the influence of entrepreneurship on unemployment challenges. Result revealed that, Entrepreneurship may help to improve individual financial capacity [mean= 3.35]; The standard of living of the people can be improved through adoption of entrepreneurship as career [mean= 3.19], Unemployment will gradually fade out at increasing entrepreneurship uptake [mean= 3.20] Entrepreneurship uptake could turn youths away from all forms of violence[mean= 3.30] and Entrepreneurship uptake will help reduce the poverty level in the country [mean= 3.62]. This implies that, entrepreneurship influences unemployment challenges.

What could be done to make young people adopt entrepreneurship in Nigeria

Table 4 above present descriptive statistics showing what could be done to make young people adopt entrepreneurship in Nigeria. Result revealed that, entrepreneurship studies in tertiary institutions should be reviewed and should be practical oriented [mean= 3.88]; Government at all level should organize entrepreneurship workshop and seminar in place of worship, communities and other areas of concentration to include other youths [mean= 3.35]; Government should endavour to make soft loan available for entrepreneurs to enable them improve their productivity [mean= 3.19]; Entrepreneurs should be assisted financially to attend international conferences to help [mean= 3.20]; All media platforms should be engage in the campaign for adoption of entrepreneurship using ever Nigeria languages [mean= 3.30] all constitute what could be done to make entrepreneurship attractive to the unemployed.
Discussion

Findings in this study revealed that, Factors militating against adoption of entrepreneurship in Nigeria include government policy, Availability and sources of fund, Inadequate knowledge of areas to explore and Family background. This implies that, in other increase the uptake of entrepreneurship among the youth, government need to be mindful of various policies that may scare youths from becoming entrepreneurs. This finding agrees with the study of Bokhari (2013), who opines that, one of the motivations for studying the relationship between entrepreneurship and unemployment is the policy interest about promoting entrepreneurship as a way of reducing unemployment.

More findings revealed that; entrepreneurship would influence unemployment challenges. Since it helps to improve individual financial capacity, standard of living of the people, faced out Unemployment, turn youths away from all forms of violence and help reduce the poverty level in the country. The plausible reason to this is that, entrepreneurship is capable of enriching an individual to the extent that, he can cater for his immediate family and other around him. This is in line with the finding of Edeigbonya (2013) found in their study of 237 graduates in the U.S. that business graduates generally perceived business ownership in a positive light.

Furthermore findings revealed that, in other to make entrepreneurship attractive to young people, entrepreneurship studies in tertiary institutions should be reviewed and should be practical oriented, government at all level should organize entrepreneurship workshop and seminar in place of worship, communities and other areas of concentration to include other youths, government should endeavour to make soft loan available for entrepreneurs to enable them improve on their productivity, entrepreneurs should be assisted financially (subsidizing cost) to attend international conferences to help and all media platforms should be engage in the campaign for adoption of entrepreneurship using every Nigeria languages

Conclusion

In this 21st century, the chances of getting a white-collar job after graduation is very slim, especially in developing countries. Aside the fact that, advances in technology has continued to create replacements for human in industries, the geometrically increasing population growth is a call for concern. Consequently, educational sector yields a large number of graduates from different higher institutions annually and there is a continual deficit of supply for job as against he demands. It is however quite unfortunate that, these graduates only stroll in streets looking for job opportunities which may never come in a country like Nigeria that is very rich in every resource sufficient for creation of jobs. Some of these youths on the long run become nuisance and political thugs. Yet the unemployed deficit continues to increase each day.

This study has shown that, entrepreneurship could be a means of getting rid of this unemployment deficit. However, the government needs to check previous policies and make new ones that would make entrepreneurship attractive to young people. More so, soft loan should be made available to entrepreneurs and young people that would like to become entrepreneurs. Platform that would help entrepreneurs develop themselves like workshop, seminars and conferences should be made affordable for entrepreneurs. This study therefore concluded that, entrepreneurship is a solution to unemployment challenges in developing countries.
Figures and tables

Table 1a: Frequency Distribution of Respondents by Sex

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>218</td>
<td>67.5</td>
<td>67.5</td>
<td>67.5</td>
</tr>
<tr>
<td>Female</td>
<td>105</td>
<td>32.5</td>
<td>32.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>323</td>
<td>100.0</td>
<td></td>
<td></td>
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</tbody>
</table>

Table 1b. Frequency distribution of respondents by educational attainment

<table>
<thead>
<tr>
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<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
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<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary Education</td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Secondary Education</td>
<td>181</td>
<td>56.0</td>
<td>56.0</td>
<td>56.0</td>
</tr>
<tr>
<td>Tertiary Education</td>
<td>78</td>
<td>24.0</td>
<td>24.0</td>
<td>80.0</td>
</tr>
<tr>
<td>Post graduates</td>
<td>64</td>
<td>20.0</td>
<td>20.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>323</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1c. Frequency distribution of respondents by religion

<table>
<thead>
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<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Christianity</td>
<td>255</td>
<td>78.9</td>
<td>78.9</td>
<td>78.9</td>
</tr>
<tr>
<td>Islamic</td>
<td>68</td>
<td>21.1</td>
<td>21.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>323</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2. Descriptive statistics showing factors militating against adoption of entrepreneurship in Nigeria

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Policies</td>
<td>323</td>
<td>1</td>
<td>5</td>
<td>4.19</td>
<td>615</td>
</tr>
<tr>
<td>Availability and sources of fund</td>
<td>323</td>
<td>1</td>
<td>5</td>
<td>3.80</td>
<td>610</td>
</tr>
<tr>
<td>Inadequate knowledge of areas to explore</td>
<td>323</td>
<td>1</td>
<td>5</td>
<td>3.30</td>
<td>610</td>
</tr>
<tr>
<td>Family background</td>
<td>323</td>
<td>1</td>
<td>5</td>
<td>3.62</td>
<td>898</td>
</tr>
<tr>
<td>Individual career choice</td>
<td>323</td>
<td>1</td>
<td>5</td>
<td>2.88</td>
<td>1.294</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>323</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Decision rule: item is accepted at mean≥ or> than 3.0 and rejected at mean less than 3.0
Table 3. Descriptive statistics showing the influence of entrepreneurship on unemployment challenges

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurship may help to improve individual financial capacity</td>
<td>323</td>
<td>1</td>
<td>5</td>
<td>3.35</td>
<td>.713</td>
</tr>
<tr>
<td>The standard of living of the people can be improved through adoption of entrepreneurship as career</td>
<td>323</td>
<td>1</td>
<td>5</td>
<td>3.19</td>
<td>.415</td>
</tr>
<tr>
<td>Unemployment will gradually fade out at increasing entrepreneurship uptake</td>
<td>323</td>
<td>1</td>
<td>5</td>
<td>3.20</td>
<td>.610</td>
</tr>
<tr>
<td>Entrepreneurship uptake could turn youths away from all forms of violence</td>
<td>323</td>
<td>1</td>
<td>5</td>
<td>3.30</td>
<td>.971</td>
</tr>
<tr>
<td>Entrepreneurship uptake will help reduce the poverty level in the country</td>
<td>323</td>
<td>1</td>
<td>5</td>
<td>3.62</td>
<td>.898</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>323</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Decision rule: item is accepted at mean = or > than 3.0 and rejected at mean less than 3.0

Table 4. Descriptive Statistics showing What could be done to make young people adopt entrepreneurship in Nigeria

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The entrepreneurship studies in tertiary institutions should be reviewed and should be practical oriented</td>
<td>323</td>
<td>1</td>
<td>5</td>
<td>3.88</td>
<td>.394</td>
</tr>
<tr>
<td>Government at all level should organize entrepreneurship workshop and seminar in place of worship, communities and other areas of concentration to include other youths</td>
<td>323</td>
<td>1</td>
<td>5</td>
<td>3.35</td>
<td>.713</td>
</tr>
<tr>
<td>Government should endeavour to make soft loan available for entrepreneurs to enable them improve their productivity</td>
<td>323</td>
<td>1</td>
<td>3</td>
<td>3.19</td>
<td>.415</td>
</tr>
<tr>
<td>Entrepreneurs should be assisted financially to attend international conferences to help</td>
<td>323</td>
<td>1</td>
<td>4</td>
<td>3.20</td>
<td>.610</td>
</tr>
</tbody>
</table>
All media platforms should be engaged in the campaign for adoption of entrepreneurship using ever Nigeria languages

<table>
<thead>
<tr>
<th></th>
<th>323</th>
<th>1</th>
<th>4</th>
<th>3.30</th>
<th>971</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid N (listwise)</td>
<td>323</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Decision rule: item is accepted at mean= or > than 3.0. and rejected at mean less than 3.0.

References

Impact of e-service Quality on Customer Satisfaction: A Study of Afghanistan International Bank

Article by Ahmad Shaker Ansari¹, Adil Rasool²

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²Asst. Professor, Department of Management Science, Bakhtar University, Kabul
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Abstract

Examining the effects of e-service quality dimensions on customer satisfaction in Afghanistan has been concerned. The aim of this research is to investigate the e-service quality on customer satisfaction in Afghanistan. The research is based on an empirical study using questionnaire as survey instrument to test the hypotheses. The influence of independent variables on depended variable is considered. A pre-test is conducted to obtain the preliminary assessment of internal validity of the research survey instrument, and to address objectives 300 Questionnaire is distributed among the respondents for the present study, the procedure adopted for the present study is categorized as convenience sampling method, collected data is analyzed using SPSS software. The outcome concluded that four of the proposed e-service quality dimensions have significantly positive impacts on the bank customers’ satisfaction, 82 percent of customer satisfaction among customers of e-banking sector significantly depends on the proposed groups of dimensions of e-Service Quality.

Keywords: e-service, quality, customer and satisfaction.

Introduction

Through the past decades the mean of shopping goods and services through internet is growing. Businesses in the electronic commerce sector realized that website design and low prices are not the only factors for success, and must include other dimensions of e-service quality in order to achieved customer satisfaction. Customer satisfaction is a cumulative construct that is affected by service expectations and performance perceptions in any given period and is affected by past satisfaction from period to period (Nuseir et al., 2010). Reliability represents the ability of the web site to fulfill orders correctly, deliver promptly, and keep personal information secure (Parasuraman and Zeithaml, 2005; Janda et al., 2002). Customization, which is the ability of the customer to personalize the website according to his individual needs, however, this may be a challenging task, because of the lack of a human touch (Santouridis, 2009). Responsiveness, which refers to the prompt reaction of the company to customers’ requests and improvement suggestions (Santouridis, 2009). The level of risk is one of the important and critical issue for customers when they do e-business specially on bank websites. Some service quality of internet banking website is important to increase customer satisfaction, these are download speed, content, design, interactivity, navigation and security (Jayawardhena and Foley, 2000). A number of academics such as Parasureamna et al. (1985, 1988); Gronroos (1990) and others have tried to identify key determinants by which a customer assesses service quality and consequently results in satisfaction or not.

Problem statement

Examining the effects of e-service quality dimensions on customers’ is concerned. Discussions with recognized bank in Afghanistan revealed that they are interested to understand the dimensions of e-service quality they provide, and the extent to which customers are satisfied with the quality of e-services. This created space to conduct empirical research and study the impacts of e-service quality on customer satisfaction in Afghanistan.

Research objective

Based on the problem identified, following objective were framed for the present study as follow:
**Objective:** To find out casual effect of e-service quality dimensions on customers’ satisfaction.

**Research Hypothesis**
Based on the review of literature and the objective framed for the study, the following hypothesis was framed for testing:

**H₁:** There is no casual effect of e-service quality dimensions on customers’ satisfaction.

**Theoretical framework**
The details of the theoretical framework taken up for the present study is shown in Figure-1, where the relationship between e-service quality dimensions and the customer satisfaction is presented.

![Diagrammatic representation of theoretical framework](image)

**Figure-1.** Diagrammatic representation of theoretical framework, (Adopted from M.T. Nuseir et al., 2010)

**Research methodology**
The present study will show the impact of the service quality dimensions on customer satisfaction in the services sector especially in Kabul e-banking sector. To make this study more trustworthy researcher develop a validated survey instrument in the form of questionnaire (Appendix-I) using 5-point Likert scale. Convenience sampling technique were used to collect data from 203 AIB (Afghanistan International Bank) e-banking customers. The collected primary data is processed and tested with appropriate statistical tools and techniques through latest version of Statistical Package for the Social Sciences (SPSS). Multiple regression model was applied to find out the dependency effect of service quality dimensions on satisfaction level of e-banking customers.

**Instrument used for primary data collection**
This work was carried out based on the primary data collected through the survey instrument. The survey instrument used for this work is a standardized well-structured questionnaire. The questionnaires were employed to collect the primary data and relevant information from the customers of banking sector. The survey instrument was designed and tested as a part of this work and proved reliable.

**Pre-testing**
A pilot study was conducted to obtain the preliminary assessment of internal validity of the research survey instrument questionnaire. For this purpose, primary data were collected from 20 e-banking sector customers. The results of the pilot study confirmed the internal reliability of the instrument deployed and hence, the same instrument was used in the identified sampling areas to collect the primary data needed for the present study.

**Survey instrument reliability**
The survey instrument was tested with appropriate reliability analysis comprising the computed value of Cronbach alpha and the alpha value for all the study variable taken up in the survey instrument is
found to be well above the suggested value of 0.6 (Nunnally, 1978). The specific, details of alpha value for each of the study variable constituting the present work is shown in the Exhibit-1.

Exhibit-1. details of the measurement scales with corresponding reliability values

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Details of the Scale</th>
<th>Items</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Website Attribute</td>
<td>6</td>
<td>0.832</td>
</tr>
<tr>
<td>2.</td>
<td>Reliability</td>
<td>7</td>
<td>0.875</td>
</tr>
<tr>
<td>3.</td>
<td>Perceived Risk</td>
<td>4</td>
<td>0.972</td>
</tr>
<tr>
<td>4.</td>
<td>Responsiveness</td>
<td>5</td>
<td>0.854</td>
</tr>
<tr>
<td>5.</td>
<td>Customization</td>
<td>5</td>
<td>0.918</td>
</tr>
<tr>
<td>6.</td>
<td>Customer Satisfaction</td>
<td>6</td>
<td>0.880</td>
</tr>
</tbody>
</table>

Sampling details

This study employed survey of e-banking customers to gather data with the help of validated survey instrument in the form of questionnaire for hypothesis testing, and to address research objectives 300 questionnaires were distributed among them. AIB (Afghanistan International Bank) e-banking customers constitute the sampling population for the present work. For the purpose of analyses of the data collected the respondents who did not respond to all questions or for whom there was a suspicion of random response such as use of the identical answer throughout is excluded. A total of 203 respondents met these inclusion criteria and thus, constitute a sample size for the present study. Since, the respondents for the survey were identified on the basis of convenience and hence, the sampling procedure adopted for the present study is categorized as convenient sampling method. The statistical tools employed for the present work comprise the basic descriptive details of the study variables. Further, Multiple Regression models were tested through SPSS as part of analysis. Based on the research models assumed and the corresponding statistical tools, hypotheses formulated in this work are tested and provided with corresponding results in the next section.

Results and discussions

From the results of table-1, it can be inferred that the F value of 23.336 is found to be significant at 5 percent level and hence, the hypothesis-1 is rejected. These results suggest that customer satisfaction depends on the group of e-Service Quality dimensions in the e-banking sector. Further, the adjusted R square value of 0.821 from the table-1 indicates that 82 percent of customer satisfaction among customers of e-banking sector significantly depends on these groups of dimensions of e-Service Quality. Also, the ‘t’ values of 5.223, 3.114, 0.041 and 2.022 corresponding to e-Service Quality dimensions such as Service Quality Website Attribute, Service Quality Reliability, Service Quality Responsiveness and Service Quality Customization are found to be having significant effects on the model conceived.

Table 1. Result of regression for hypothesis-1

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>F</th>
<th>Adjusted R square</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>0.253</td>
<td>0.094</td>
<td>1.241</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Website Attribute</td>
<td>0.421</td>
<td>0.131</td>
<td>0.453</td>
<td>5.223*</td>
<td>0.821</td>
</tr>
<tr>
<td>Reliability</td>
<td>0.524</td>
<td>0.058</td>
<td>0.005</td>
<td>3.114*</td>
<td></td>
</tr>
<tr>
<td>Perceived Risk</td>
<td>0.231</td>
<td>0.103</td>
<td>0.442</td>
<td>4.220</td>
<td></td>
</tr>
<tr>
<td>Responsiveness</td>
<td>1.088</td>
<td>0.243</td>
<td>0.190</td>
<td>0.041*</td>
<td></td>
</tr>
<tr>
<td>Customization</td>
<td>0.112</td>
<td>0.031</td>
<td>0.014</td>
<td>2.022*</td>
<td></td>
</tr>
</tbody>
</table>

Source: Computed from primary data.

* Significance at 5%
More specifically, service quality website attribute among the e-banking customers is found to be having significant superior effect on customer satisfaction with highest ‘t’ value of 5.223. This confirms that it is easy to deal with the bank’s e-services and bank’s website design is easy to link and interact. It also confirms that bank’s website pages have adequate, suitable colors and contains un-clear technical phrases. Similarly, Service Quality System reliability among the e-banking customers causes significantly good effect on customer satisfaction with the next higher t value of 3.114. This clearly confirms the positive effects of bank sector through the features that can ensure customers and feel them sense of secure during the transaction process and can increase customers’ confident and trust in quality services. Moreover, it confirms that bank is highly credible in delivering e-banking services as promised and accuracy enhances customer confidence in its services.

The ‘t’ value of 2.022 obtained for the service quality customization significantly causes considerable effect on the customer satisfaction in e-banking sector. This confirms the e-banking services are tailored according to customer’s requirements and are changed according to changes in customer’s needs and wants. It also reflects that bank’s website offers special treatment for highly loyal clients and bank’s e-services are changed according to changes in technology. The ‘t’ value of 0.041 obtained for the service quality responsiveness significantly causes considerable effect on the customer satisfaction in e-banking sector. This reveals that website responds quickly to customers’ requirements and website offers the availability of an online customer services representative to respond to customer enquiries.

The remaining ‘t’ value of 4.220 corresponding to the dimension of service quality perceived risk is not found to be significant at 5 percent level. Hence, it can be inferred that the customer satisfaction in the e-banking sector does not depend significantly on the service quality dimension perceived risk.

**Limitation**

Despite the significant finding in this study, there were also several limitations. Time is considered as a main limitation of the study. The generalization of the research results is limited to the Afghanistan International Bank (AIB) and cannot be extended to the rest banks in Afghanistan. Despite having a satisfactory sample size, a larger sample size could possibly lead to more reliable results. The research model included only five dimensions of e-service quality and their effect on customer satisfaction, finding out the additional dimensions of e-service quality that affect customers’ satisfaction in the future could be a good area of research.

**Contribution**

From the academic prospective, the study is thought to have contributed to the e-service quality and e-banking literature and fulfilled some gaps that needed more studies especially in a developing country like Afghanistan.

**Conclusion**

The main aim of this research was to investigate the relationship between the e-service quality dimensions and the overall customers’ satisfaction in Afghanistan International Bank. Another aim was to identify the strongest determinant of the e-service quality dimensions on customers’ satisfaction. Based on the research objectives, research model, analyses and outcome, number of conclusions can be outlined. Website attribute among the e-banking customers is found to be having significant superior effect on customer satisfaction. System reliability among the e-banking customers causes significantly good (with the next higher effect) on customer satisfaction. Service quality customization and responsiveness significantly causes considerable effect on the customer satisfaction in e-banking sector. Service quality perceived risk is not found to have significant effect on customer satisfaction. Finding indicates that 82 percent of customer satisfaction among customers of e-banking sector significantly depends on the above mention groups of dimensions of e-Service Quality.
References

Contributions of Foreign Direct Investment of Mining Sector to Economic Development of Zambia: Study of Konkola Copper Mines

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Abstract

The research was about an assessment on the extent of the contribution of foreign direct investments (FDIs) on the economic development of Zambia in general and Copperbelt in particular by the Konkola Copper Mines (KCM) in Chingola.

The survey findings revealed a positive trend in the magnitude and growth rates of factors that underpin the economic benefits of foreign direct investment in the domestic economy, such as increased employment creation, technology transfer or transfer of skills through on-the-job training, education, Government revenue, export earnings, and other economic multiplier effects and contributions to Gross Domestic Product - GDP averaging K6.2 billion when other companies were included (ZDA report 2013).

Thus, KCM showed a favourable pattern and positive impact of the host economy as well as some negative impact.

The study took into consideration whether liberalisation of the Zambian economy and privatisation succeeded in attracting FDIs to Zambia or not. It also found out factors that had played a role in attracting FDIs, analysed the good and bad effects on the development of the country.

The information was obtained as a result of literature review and from conducting interviews through the administration of questionnaires and personal interviews with 500 respondents.

The study also tried to establish the extent to which FDIs alleviated poverty in Zambia through the creation of jobs and infrastructure development especially to the impoverished villagers and the poor living in urban areas.

Keywords: Economic Development, Employment Creation, Foreign Direct Investments, Gross Domestic Product, Poverty Alleviation.

Introduction

It could be argued that Foreign Direct Investments (FDIs) have brought development to the developing nations through the development of infrastructure, introduction of new technology and new business systems; improvement of communication, new work culture, creation of employment and in the case of Zambia included the opening up of new mines. (Morrison 2012, Goldin and Reinert 2012, and Wikipedia January, 2016). However, FDIs also have had negative impact as well on developing nations, for instance in Zambia those included casualisation of the work force, mass redundancies, unsafe working conditions for workers, failure to take on the payment of pension of former employees, contamination of the natural environment and increasing dominance of foreign culture over the host country cultures by those of the investors (Fraser and Lungu 2013, Mercy Corps June, 2014).

The research highlighted findings on FDIs and their contribution and/or impact to the economic development of Zambia by case studying on the Konkola Copper Mines headquartered in Chingola. Since the implementation of the investment legislation and policies, Zambia has faced the challenges of measuring the contribution/impact of direct investment in the country. Measuring the contribution/impact of investment provides a means for the country to assess the impact of economic reforms that were put in place by government since 1991. The reforms were largely aimed at the spreading of both local and foreign investment, which in turn, would fuel further economic growth and development, and reduce poverty levels – Zambia Development Agency. (ZDA report 2007 and 2012).
Problem being studied

The rate of job losses in mining sector in the country had increased with subsequent increase of technology and closures brought about as a result of exiting of some FDIs. The global economic crunch only worsened the situation. At the same time the country continued to record high level of FDI inflows in millions of dollars in the past 20 years. Though there had been some significant growth in the economy, it did not reflect in the reduction of poverty among the majority of the Zambians who remained unemployed. (Fraser and Lungu, 2011).

According to the report compiled by Fraser and Lungu 2011, the situation led to over dependency of the majority of society on the over stretched few employed citizens. Further, the Government could not collect enough revenue in the form of taxes on the few who were employed to develop the social sector like education, health, transport and communication. Despite that trend, the Government has continued to encourage and support FDI inflows by providing an enabling (investor friendly) environment through policies in the Zambian economy.

The theoretical background

The world economies are slowly focussing on the dependence of nations on each other through the exploitation of natural resources. It is a well-known fact that all manufacturing nations need raw materials, which are processed into finished products. The finished products are required by customers found worldwide. FDI is one of the ways of doing business that has made the exploitation and sharing of raw materials possible by both developed and developing nations. FDI is said to be one of the systems that has contributed to the reduction in barriers to cross-border trade and investment in spite of distance, time zones and lead to different nations taking trouble to learn other nations’ languages to easy up communication. To some extent FDI leads to regulations to be tailor made to accommodate foreign direct investment in some developing countries. (Goldin and Reinert, 2013).

According to ZDA report (2007/12) Zambia’s population was estimated at 15 million people and the country’s main economic sectors included mining, agriculture, tourism and manufacturing. However, economic activities in Zambia were still dominated by the mining sector, which for many years has counted for an estimated two thirds of total exports, and also continued to significantly influence the growth of the economy. That was evidenced by the positive economic growth in recent past years due to the revival of mining activities both on the Copperbelt and North Western provinces.

The ZDA report (2007/12) indicated that Zambia’s main exported products have traditionally been copper and cobalt, which together accounted for about 63 percent of total earnings. Non-traditional exports (exports other than copper and cobalt) were mainly primary products which included cotton lint, fresh vegetables, fresh flowers, cotton yarn, burley/flue cured tobacco, petroleum products. Others were electricity, cement, fuzzy cotton, seed sugar, copper wires, cables and rods as well as semi-precious /precious stones.

The country’s main imports are crude oil, chemicals and machinery, iron, steel and manufactured goods. But it is also noted that Zambia imported most of the products for consumption and industry.

In response to a long-term decline in economic fortunes, the government implemented stabilization and enhanced structural adjustment reforms in the early 1990s, designed to introduce a market-based and private-driven economy in place of the state dominated economic system which was obtaining prior to 1991. The liberalization of the economy saw a significant reduction of tariffs and removal of quantitative restrictions and export taxes. The exchange rate was liberalised and export incentive such as the duty drawback scheme and manufacturing under bond were introduced to encourage exports. The liberalization of the economy also saw both increased privatisation of most state-owned enterprises and private foreign direct investment inflows in the domestic economy. This action brought in new business etiquette and practices in Zambia.
Corporate profile

Konkola Copper Mines Plc (KCM) is a leading integrated copper producer in Zambia. KCM was primarily engaged in the exploration for/and, mining, production and sale of copper and copper by-products. KCM is a subsidiary of Vedanta Resources Plc (Vedanta), a London listed diversified metals and resources group with operations in India, Australia, South Africa, Namibia, Zambia & Ireland.

The mines in the Copperbelt were initially owned by Anglo American Corporation and Roan Selection Trust. However, in the early 1970s the mines were nationalised. During the subsequent 20-year period, the government’s ownership of the mines was restructured several times.

In 1991, Zambia reverted to plural politics and the government embarked on an exercise to privatize parastatal companies, including the copper mines. By March 2000, the privatization programme of the largest mining assets was completed. Anglo American reacquired a 51 percent stake in Konkola Copper Mines, which comprised mining operations in Chingola, Chililabombwe and smelting and refining operations at Nchanga in Chingola and Nkana in Kitwe respectively. However, in September 2002, Anglo American withdrew as shareholders of KCM. This left a restructured company whose main shareholders were again government entities, Zambia Consolidated Copper Mines Investment Holdings (ZCCM-IH) and Zambia Copper Investments (ZCI).

In November 2004, Vedanta Resources took a 51 percent stake to become the majority shareholder in the company. In 2008, Vedanta Resources increased its holding in KCM to 79.4 percent. Since its original acquisition, over $3 billion has been invested in KCM to upgrade equipment, build new facilities and expand capacity. The investments have increased reserves and resources, and also the life of the mines by over 25 years.

At one time KCM was one of the largest private sector employers with over 16,000 employees. KCM enjoyed a strong relationship with the Zambian government and was a committed partner in improving the economic prospects of the country through operations and other activities. (KCM web site).

The purpose of the study

The study was an exploratory as it sought to gather a wide range of data and impressions to gain insights and familiarity with the contributions of FDIs to the Zambian economic development in general and Copperbelt in particular.

Also assessed were the challenges and opportunities faced by large companies (multinationals) in the empowerment of locals and job creation in Zambia and thereafter came up with a model suitable to the Zambian situation and made recommendations on how those challenges/opportunities could be addressed.

The rationale of the project

As a Nation, the great contributions that FDIs have made over the years towards the development of the economy and growth to the Gross Domestic Product is there to be seen. A contribution of 40% of the GDP is significant to the economy coming from the background of very little capital investment (ZDA report, 2007/12).

The rationale behind the choice of studying FDIs was to assess the contributions of the same with regard to the revamping of the Zambian Economy which would culminate into the development of the nation and improvement of the peoples’ livelihood through re-capitalisation of infrastructure, alleviation of poverty and creation of jobs.

The study also meant to investigate whether FDI’s contributions were negative or not and if they were, was it worth it to allow foreign investment in the country or revert to nationalisation of mines and other companies? The study also was directed at finding out the causes of Zambia’s failure to develop in spite of the inflow of FDIs if that was the case. Could encouraging local manufacturing companies and processing of minerals into finished products be a route that Zambia should follow in future?

Research methodology

A comprehensive and all-encompassing design was used to collect data for the study. The data collection was conducted through the use of literature review, field work using questionnaire and personal interviews.
The research was a quantitative and qualitative study which sought to investigate the contribution of FDIs to the economic development in areas where the Konkola Copper Mines Company operates with the view to understanding whether the FDIs are benefiting the locals with empowerment and enhancing the standard of living. In order to carry out the task, the researcher adopted the interpretive philosophy and used structured, semi-structured interviews and direct observation to collect primary data.

The study approach used was the deductive reasoning in that the analysis of information was done from general to specific perspective. In other words, conclusions were drawn from reasons given in the findings as to how Zambia has used FDIs to the betterment of its economy.

Data was collected from both primary and secondary sources. This method of research permitted the use of different data collection methods within the study. According to White (2010) information that is new and original at its date of publication is termed as primary material.

The research followed a case study strategy. According to Robson (2012), a case study as a strategy for doing research involved an empirical investigation of a particular contemporary phenomenon within its real-life context using multiple sources of evidence. A single case study was used for it represented a critical case or, alternatively, an extreme or unique case. On the other hand, multiple case studies could have focused upon the need to establish whether the findings of the first case occurred in other cases and consequently generalisations could be made from those findings. Yin (2003).

The study was exploratory that attempted to answer why the FDIs were failing to secure the much-needed development. In line with that view, Yin (2003) advised that case study research was appropriate for answering why or how questions about a contemporary set of events over which the investigator had little or no control.

In the case, the researcher had no control on the findings from both the documentary secondary data and the interviews with respondents regarding challenges faced by investors. Therefore, using the case study strategy for the research could be justified.

Sources of data

Secondary data was collected from documents on foreign direct investment and other information from Ministry of Finance, Zambia Development Agency (ZDA), Central Statistics of Zambia, report on Zambia Copper Mines by Alastair Fraser and Dr. John Lungu and others shown in references.

Sample Frame: The sampling frame of the study included: Konkola Copper Mines, Ministry of Finance - MOF, Zambia Development Agency-ZDA, Ministry of Mines, Ministry of Commerce, Trade and Industry and ZRA and the residents of Chingola, home town of KCM. The sample frame was chosen because it helped in triangulating the data collected as the target was either directly or indirectly affected by the activities of the FDI case study. However, that was a general cluster – categorising respondents into sectors.

Sample Size: The study was conducted on the Copperbelt and Lusaka, involving a sample of organisations broken down as follows:
- Konkola Copper Mines on the Copperbelt (280 employees)
- Supervisory Government organisations (involving 20 employees)
- The Intended Beneficiaries (200 residents)

Sample Selection: The sample size was picked using cluster sampling for both quantitative and qualitative data collection. But the comprehensive sample frame was not available in those researched areas. The basic idea of sampling was to select some of the elements in a population, so that conclusions about the entire population could be drawn (Cooper and Schindler, 2016). The reason why sampling was necessary was because of lower costs, greater accuracy of results, and greater speed of data collection and the availability of population elements.

Research Instruments: The study contained information collected by means of the following instruments and methods; interviews, sampling and electronic i.e. sms or short messaging, e-mail and questionnaire. However, questionnaire was the main instrument used in the study.

Research Analysis: The analysis of data was done using quantitative and narrative methods such as excel software and graphs such as tables and histograms. While qualitative data was analysed using applicable themes. The data analysis tools used were the manual based tallying techniques and computer based aided programs like Microsoft Excel, Microsoft Word, Calculator and the SPSS.
Research results

Literature review

Economic role and Social Functions of ZCCM: According to the report compiled by Fraser and Lungu (2011), the mines transformed the Copperbelt into the most developed area of Zambia. As far back as 1929 the private mining companies provided sanitary, orderly compounds to accommodate employees, food rations for employees on a weekly basis, hospitals in all mining settlements and also recreation clubs for employees. In those early years only, European quarters had added facilities within their homes such as electricity and water.

The report stated that ZCCM provided amenities much wider in scope than those offered during the colonial era, including free education for miner’s children, alongside subsidised accommodation and food, electricity, water and transport. The mining companies also managed the environment in the mine townships, maintained the roads and collected refuse as well as providing cafeterias, bars and social clubs all over the mine townships.

They encouraged the growth of economic and social activities dependent on miners’ incomes, such as shops, farms to supply food to the mine areas and other industrial activities. Youth Development Schemes helped youths in the compounds identify the skills they could pursue and formalise as careers.

Women’s clubs concentrated on home craft. Social casework agencies were charged with investigating social conditions in the townships. By the time privatisation was re-introduced, ZCCM had one or two hospitals at each of its operating division.

The Crisis of the ZCCM Model: The authors observed that major progress was made in the first 10 years of independence, but developments slowed down when the price of copper collapsed after the first oil crisis in 1974. Zambia had to borrow in order to maintain social provision. Following the second oil crisis in 1979, interest rates increased and Zambia found itself in a severe debt crisis. The copper prices continued to fall relative to the price of imports for twenty years and the economy was severely affected. Between 1974 and 1994, per capita income declined by 50% leaving Zambia the 25th poorest country in the world.

The authors further observed that during the economic crisis, ZCCM was treated as a ‘cash cow’ that was being milked without corresponding investment in machinery and prospecting ventures and the mines suffered from little investment as had been the case before 1969. With little investment in exploration and drilling and a lack of spares in equipment and machinery, no new mines were opened after 1979. The ore bodies in the mines were found deeper and deeper and the cost of production went up. ZCCM production fell from 750,000 tonnes in 1973 to 250,000 tonnes in 2000.

Privatisation process in zambia

The Move to Liberalisation: According to the report, during the 1980s the World Bank and the IMF took advantage of Zambia’s massive debts and its inability to fund government revenues from mining income to push the country to adopt economic liberalisation policies. Zambia accepted its first conditional loan from the IMF in 1973/4 and entered its first World Bank structural adjustment programme in 1983. According to the report, the International Financial Institutions (IFIs) had thereafter always tightly policed Zambia’s economic policies. In July 1987, facing protests from Zambians against the harshness of the measures put in place by the IFIs government rejected the conditions of its loan and instituted a ‘New Economic Recovery Programme’ that limited debt-service payments to 10% of the net export earnings. Zambia’s refusal to pay at the IMF’s preferred rate resulted in almost all Zambia’s donors deciding collectively to starve the country of assistance.

In the meantime, arrears to the IMF continued to pile up and no new money arrived. Within the period of eighteen months the donors had made their point that the price of future support would be compliance with donor priorities. The government decided that it had little choice but to accept re-engaging the Bank and the Fund which led to devaluing the currency, decontrolling prices and cutting food subsidies.

Finally, Zambia accepted new adjustment programme in 1989 and donors started coming back to the country. However, it was too late for the ruling party United Nation Independence Party (UNIP). There were repeated food riots in the urban areas of the country, followed by industrial unrest and eventually
the ruling party lost support from the Zambia Congress of Trade Unions (ZCTU). The unions formed an opposition party, the Movement for Multiparty Democracy (MMD), headed by ZCTU leader Frederick T. J. Chiluba. When the country went to the polls, the MMD won the 1991 elections, came into political power and formed the new government.

**Privatisation under the MMD and the role of external aid donors:** According to the report, MMD had a manifesto that promised to liberalise the economy and the mineworker’s union endorsed privatisation since they believed that that was the only way that could bring in new investment. Unions and MMD both believed that the only way to get the country’s collapsed economy back on track was to win the trust of international banks and investors, and that the only way to do that was to accept the donors’ demands. Donors brought in aid money and the budget became more than 40% donor dependent.

A number of economic conditions were attached to the loans given to Zambia. Many of those were attached to the privatisation programme designed to sell 280 parastatal companies. By June 1996, 137 had been sold. Foreign companies bought up the largest and most viable firms with very little profit staying in Zambia. The World Bank focus was on the privatisation of mines right from the start. Zambia’s qualification in 1996 for the World Bank’s Heavily Indebted Poor Countries (HIPC) initiative played one of the major roles in the privatisation of the mines. It should be remembered that throughout the privatisation period the Zambian government was being encouraged by donors to establish an ‘investor friendly’ policy regime. That contributed to changes made in 1995 to the Investment Act and the Mines and Mineral Development Act. Finally, the mines were in private hands with drastically reduced mineral royalty at the rate of 3% of the net back value of the minerals produced.

The Act permitted companies to minimise their income tax returns by allowing deductions for investment in mining. The Act provided relief from paying customs duties on imported machinery and equipment. The Act did not specify the forms of relief involved.

**Effects of Privatisation in Zambia Copper Mines:** According to the report on the mines in general and Konkola Copper Mines in particular, it seemed people had high expectations after the privatisation of the mines. The writers stated that copper prices steadily rose in 2003 and the value of copper exports increased twofold between 2005 and 2006 reaching US$2.78 billion. The government and the companies claimed that all benefited from the proceeds from copper. That was not the case in as far as the miners were concerned and their dissatisfaction was clearly demonstrated by voting for the opposition Patriotic Front (PF) in preference to the then ruling party the Movement for Multiparty Democracy during the September 2006 elections throughout the mining areas of the Copperbelt. However, the Movement for Multiparty Democracy won the election country wide.

That was a clear demonstration that the people at the Copperbelt rejected the policies of the government by siding with the opposition party, which was not in favour of the foreign investors whom it accused of exploiting the workforce, increasing corporate taxes and limiting foreign ownership of mines.

The writers continued to state that the companies and the Zambian Government both argued that since 1991, under the supervision of the World Bank and the International Monetary Fund (IMF), Zambia had been transformed from a socialist economy dominated by the state-owned Zambia Consolidated Copper Mines (ZCCM) into a free-market system. Consequently, Zambia had become a favoured recipient country for many rich-country aid donors.

The report stated that there was no doubt that privatisation had brought with it more money in the mining industry. Mines that were threatened with closure had remained open and in addition new mines were opened up. It was also true that production and profits had significantly increased.

According to the report, at the time the communities at the Copperbelt did not seem to trust the government, the mining industry, aid donors and the privatisation system. To express their disappointment and frustration the people on the Copperbelt resorted to strikes, protests and the ballot box. People claimed that they were not seeing developmental gains that they were expecting and additionally no promises made during the privatisation process seemed to be honoured. The people were bitter because they perceived and believed that massive wealth was being generated by the mining companies leaves the country before Zambians could see significant benefits.
The report seemed to suggest that Zambia being a model of free market economy where government and companies worked together to reduce poverty was not enough in itself. It was being suggested that the investors’ major responsibility was to invest the much-needed capital into the mining companies. The investors were being urged to revitalise the regional economy, generate employment for workers and a market for local producers. The writers went on to elaborate on the need by investors to respect the law, health, safety and environmental laws of the country to ensure that their operations did not negatively affect the local people.

Once that was done investors, workers and local communities were supposed to urge government to use the taxes they paid to regulate companies’ behaviour, to secure an enabling environment for business and to provide social services such as health, education and infrastructure, for instance roads, railway lines and airports.

The authors seemed to suggest also that government on its part could encourage companies to make voluntary and charitable contributions to support local initiatives in programmes that reflected their belief in corporate social responsibility.

The authors of the report observed that Zambia managed to make companies happy but lamentably failed to collect a sensible share of revenue or to perform its role as an effective regulator, protecting the rights of workers and local communities or as a provider of social services.

**Challenges of privatisation:** The authors of the report identified six problems of privatisation and its aftermath as they conducted their research at the Copperbelt:

**One sided deal:** The first point was that Zambia got a raw deal during negotiations under Development Agreements, which resulted in investors being exempted from covering most of ZCCM’s liabilities, including pensions for its workers, from paying most taxes and from many national laws, for example on environmental pollution.

**Regulation:** The second point observed was that the World bank and the International Monitory Fund (IMF) directed rather than advising the Zambian Government well in advance before privatisation instead of using Zambia’s dependence on them for aid and debt relief as a weapon to ensure that labour laws were passed or tailored in favour of investors. That could be verified from the Bank and the Fund when they diplomatically ordered the Zambian Government to make itself more attractive than its neighbours and competitive by developing an ‘investor-friendly’ regulatory regime in order to bring investment to Zambia. That resulted into the Investment and the Mining and Minerals Acts removing many of the controls the state had formerly established on the behaviour of companies.

**Casualisation of Human Resource:** The third point noticed was that although investments had created some new jobs, there was poor quality in employment in that around 45% of the workforce in the mines was not on permanent and pensionable contracts. In many mines including Konkola Copper Mines workers were put on rolling, fixed-term contracts on drastically less beneficial terms and conditions. In some cases the jobs were ‘contracted-out’ to companies that paid; in many cases less than half the monthly wage offered to permanent workers in mines.

**Increased Pensioner Poverty:** The fourth point was that before privatisation, pensioner poverty existed under ZCCM in view of the fact that pension provision slowly worsened. That was made worse when new investors refused to take on the company’s liabilities and passed the same on to the Government to pay. Unfortunately, the Zambian state budget was tight and the state found itself in a difficult situation to finance the payments. That was an indication that privatisation took off on a bad start and thousands of former employees could not get pension payments and some of the cases were still not settled.

According to the report thousands of the workers were declared redundant. That contributed to the reduction of the mine workforce to one half under the period of five years from 45,000 to 22,000 employees. By 2004 the number of employees increased to 31,000 though the number of employees at the Copperbelt was 22% as compared to 6% nationally.

**Absence of Linkages with Local Business:** The fifth point observed was that there were high expectations from local business men after privatisation, however many local businesses did not benefit as the new mine owners made linkages to suppliers, manufacturers, and markets outside Zambia. Since the introduction of privatisation to Zambia, local suppliers were unable to compete on quality and price with foreign suppliers. Many local suppliers had lost the business they used to conduct with ZCCM.
Failure to Provide Social Infrastructure: The sixth and final point noticed was that ZCCM provided jobs, hospitals, schools and a range of social services including HIV/AIDS and malaria awareness and prevention programmes. After privatisation of ZCCM, new owners of the mines did not continue to offer the mentioned facilities and programmes. They concentrated on the core business – mining. They left the provision of social infrastructure to the dictates of free-market ideology to which they believed that those goods and services should be provided either by the local authorities or by market forces.

Lack of medical facilities led to many people at the Copperbelt to die from malaria in 2004 and over 30% of the population were suffering from malaria in a year. The HIV/AIDS pandemic was also ravaging the workforce in Zambia. According to the report the HIV prevalence rate for the Copperbelt was 22.1% as compared to 17.8% nationally at the time. But then many companies re-started anti-malarial spraying programmes in areas where their workers and the wider community lived and to develop comprehensive HIV/AIDS policies. Others responded at a rather slow pace.

Fieldwork presentation

The table below show the responses from the fieldwork on various questions posed to the respondents:

Multiple variables table

<table>
<thead>
<tr>
<th>SN</th>
<th>Question Area</th>
<th>Measuring Variables</th>
<th>Totally Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Totally Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>FDI for Country Development</td>
<td>Frequency %</td>
<td>310 62%</td>
<td>100 20%</td>
<td>70 14%</td>
<td>20 04%</td>
</tr>
<tr>
<td>02</td>
<td>Relaxed Conditions for FDIs</td>
<td>Frequency %</td>
<td>185 37%</td>
<td>135 27%</td>
<td>75 15%</td>
<td>105 21%</td>
</tr>
<tr>
<td>03</td>
<td>Mining FDIs Brought Development</td>
<td>Frequency %</td>
<td>130 26%</td>
<td>190 38%</td>
<td>100 20%</td>
<td>80 16%</td>
</tr>
<tr>
<td>04</td>
<td>Benefits of FDIs to Zambia</td>
<td>Frequency %</td>
<td>340 68%</td>
<td>100 20%</td>
<td>40 08%</td>
<td>20 04%</td>
</tr>
<tr>
<td>05</td>
<td>FDI Benefits Ordinary Zambians</td>
<td>Frequency %</td>
<td>400 80%</td>
<td>50 10%</td>
<td>50 10%</td>
<td>00 00%</td>
</tr>
<tr>
<td>06</td>
<td>FDI Influence on Zambian Culture</td>
<td>Frequency %</td>
<td>260 52%</td>
<td>50 10%</td>
<td>60 12%</td>
<td>130 26%</td>
</tr>
<tr>
<td>07</td>
<td>Same Goods in Zambia as in Developed Countries</td>
<td>Frequency %</td>
<td>320 64%</td>
<td>140 28%</td>
<td>20 04%</td>
<td>20 04%</td>
</tr>
<tr>
<td>08</td>
<td>FDIs Door to Global Trade</td>
<td>Frequency %</td>
<td>90 18%</td>
<td>390 78%</td>
<td>20 4%</td>
<td>00 00%</td>
</tr>
<tr>
<td>09</td>
<td>Contribution of Zambian Technology to World Production</td>
<td>Frequency %</td>
<td>140 28%</td>
<td>180 36%</td>
<td>90 18%</td>
<td>90 18%</td>
</tr>
<tr>
<td>10</td>
<td>The Relationship between Multipartism and FDIs</td>
<td>Frequency %</td>
<td>250 50%</td>
<td>130 26%</td>
<td>100 20%</td>
<td>20 04%</td>
</tr>
<tr>
<td>11</td>
<td>Global Economic Downturn Vs</td>
<td>Frequency %</td>
<td>110 22%</td>
<td>260 52%</td>
<td>90 18%</td>
<td>40 08%</td>
</tr>
<tr>
<td></td>
<td>Zambian Economy and FDIs</td>
<td></td>
<td></td>
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<td>---</td>
<td>------------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>12</td>
<td>The Effect of the Political Environment on FDIs</td>
<td>130</td>
<td>26%</td>
<td>250</td>
<td>50%</td>
<td>100</td>
</tr>
<tr>
<td>13</td>
<td>The Experiences and Lessons Learnt as a Result of the Inflow of FDI to Zambia</td>
<td>110</td>
<td>19%</td>
<td>170</td>
<td>23%</td>
<td>210</td>
</tr>
<tr>
<td>14</td>
<td>The Pull Out of Investors (FDI) in The Mining Sector Had Left Many Zambians Jobless.</td>
<td>330</td>
<td>66%</td>
<td>140</td>
<td>28%</td>
<td>10</td>
</tr>
<tr>
<td>15</td>
<td>The Effect of the Pull out on the Heath Sector in the Country</td>
<td>240</td>
<td>48%</td>
<td>220</td>
<td>44%</td>
<td>20</td>
</tr>
<tr>
<td>16</td>
<td>Lack of Employment and Retrenchments’ Effects on Education</td>
<td>280</td>
<td>56%</td>
<td>160</td>
<td>32%</td>
<td>40</td>
</tr>
<tr>
<td>17</td>
<td>Many Girls in the Mining Towns Turned to Prostitution as a Means of Survival</td>
<td>300</td>
<td>60%</td>
<td>100</td>
<td>20%</td>
<td>60</td>
</tr>
</tbody>
</table>

Source: Fieldwork 2018

SN01- 17: Rankings on the multiple variable tables

**Development in Zambia attributable to FDI:** It was suggested that FDI had brought development through increased job creation and poverty reduction in Zambia. The respondents answer as shown in SN01 of multiple tables where 310 totally agreed and 100 agreed that FDI brought development to countries that encourage it and to Zambia in particular. That was 82% all together.

**Relaxed Entry Conditions to Attract Foreign Direct Investment in the Country:** SN02 suggested that the Zambian Government had relaxed most entry conditions in order to stimulate or attract FDI in
the country. The study indicated 185 respondents totally agreed and 135 agreed. Thus 64% of the respondents seemed to have agreed on the relaxed conditions.

**FDIs in the Mining Sector and Development:** From Table SN03, 130 respondents totally agreed and 190 agreed that coming of FDI was an effective tool in bringing about development in the country and increases recapitalization of mining industry for Konkola Copper Mine in particular. While 100 respondents were in disagreement to the fact that the encouragement of FDI did contribute to the development of the country and 80 totally disagreed.

**Benefits of FDIs to Zambia:** 340 respondents totally agreed and 100 agreed that FDI had a positive contribution on the Zambian society and economic growth recapitalization, foreign exchange stability, and technology transfer and improved quality of life through job creation. (SN04)

**FDI Benefits Ordinary Zambians:** From SN05; 400 respondents totally agreed that the rural Zambian had benefited through investments in mining and other sectors that were based in rural areas. Only 50 respondents disagreed. It was found that 80% of the inhabitants on the Copperbelt were employed by the mining sector. Konkola Copper Mine being the largest employer in that region of Zambia. It could further be emphasized that FDIs had been a major source of employment in all the mining towns of Zambia. Applying the rule of thumb, it was concluded that investment through FDIs had been a source of job creation in Zambia.

**FDI Influence on Zambian Culture:** SN06 showed that 260 respondents totally agreed that FDIs had a positive influence on the Zambian culture that advocates for higher learning and exchange of technology there by bringing about less illiteracy. It could be concluded that FDI was indeed a catalyst in bringing or reducing illiteracy but as to other form of cultural behaviours, further research needed to be carried out.

While 130 of the respondents totally disagreed to this fact.

**Goods in Zambia Same as in Developed Countries:** It was suggested that most but not all goods found in developed countries were similar to those found in developing countries. SN07 shows that 320 totally agreed and 140 agreed that similarities in goods produced in developed countries were very minimal while a total of 40 respondents were in disagreement to that fact.

**FDIs Opened Doors for Zambia to Global Trade:** Export had increased over the past years and that had increased foreign exchange earning thereby bring a balance demanded on exchange rates as 390 respondents also agreed that mining in the country had contributed to an increase in global trade in the country. Thus, coming of multinational companies in the mining resulted in huge export earnings, which contributed positively to the economy.
Zambia’s Technological Contribution to Production: SN09 indicated that 140 respondents totally agreed and 180 agreed that Zambia had not done very well in terms of producing components useful to other countries and 90 totally disagreed to the fact that Zambia had not been proactive in as far as component production was concerned.

The Relationship between Multipartisan FDI: From the data tabulated 250 respondents totally agreed that there was a close relationship between Multipartonism and Foreign Direct Investment and also 130 respondents agreed to this fact while, 120 respondents disagreed with the assertion. It was hypothesized that Multipartonism tends to promote private sector driven economies hence the encouragement of FDI to foster investment in the country.

Global Economic Downturn Vs Zambian Economy and FDI: SN11 indicated that 370 respondents either totally agreed or agreed that the mines were severely affected by the global downturn. Only 130 respondents totally disagreed and totally disagreed to that suggestion. The data values indicated that 74% agreed to such an assumption and for that reason it could be concluded that the mining sector was adversely affected by that global economic downturn due to huge loss of business which led to severe job losses and closures.

The Effect of the Political Environment on FDI: As seen from SN12, 130 respondents totally agreed that the political arena had been very conducive for the inflow of Foreign Direct Investment. While 250 respondents agreed that the environment was conducive for FDIs and 20 respondents totally disagreed and 100 respondents disagreed with the hypothesis. ZDA’s investment centre had recorded 75% inflow funds since introduction of multi-party politics.

The Experiences and Lessons Learnt as a Result of the Inflow of FDI to Zambia: SN13 above indicated that 110 respondents totally agreed that there were many lessons to be learnt from FDI while only 170 agreed and supported that thought. While 210 respondents disagreed and 10 totally disagreed with such ideas. Thus, it was observed that FDI had positive effect in creating jobs, there were as well negative effects in Zambia for example job losses through retrenchments, environmental degradation and casualisation of workers.

The Pull Out of Investors (FDIs) in The Mining Sector Had Left Many Zambians Jobless: As can be seen from SN14, 330 totally agreed and 140 agreed that the pull out of investors had negative effect on employment. 10 totally disagreed and 20 disagreed with the hypothesis that the workforce had lost employment as a result of the pullout of some investors in the mining sector. The data values from the table above indicated that that was the case and could be concluded that the pullout of most investors in the mining sector (including Konkola Copper Mine) had a negative effect on the local economy which also resulted in retrenchments.

The Effect of the Pull out on the Heath Sector in the Country: SN15 above showed that 240 totally agreed that withdraws of investment led to job losses and ultimately increased poverty among the citizens of Zambia in general and Copperbelt in particular, for example Luanshya. 220 respondents agreed also to the fact that families would not be able to afford health facilities.

Lack of Employment and Retrenchments’ Effects on Schooling: SN16 depicted that 280 totally agreed and 160 agreed that the pull out of investors had negative effect on employment. Thus 56% of the respondents totally agreed that lack of employment and retrenchments adversely affected the turn out of school going children in the mining town of Chingola because parents had no money to pay school fees. Also 32% respondents agreed to that fact.

Many Girls in the Mining Towns Turned to Prostitution as a Means of Survival: From SN17 above it could be observed that 300 of the respondents totally agreed that many girls in mining towns turned to prostitution as a means of survival. In addition 100 respondents agreed also to that fact. Of those respondents 40 totally disagreed and 60 disagreed with that statement.

Discussion and Interpretation of the Findings

The Role FDIs Play in Zambia since the Liberalization of the Economy: According to the literature review findings, FDIs has been in existence for a long time though confined to Organisation for Economic Co-operation and Development (OECD) countries in the early days but has since spread globally and its stocks add up to 28% of global Gross Domestic Product.
Factors like strong economy, strong corporate profits and cash flow, a booming stock market and strong currency made developed countries to be in the lead in the provision of FDI outflows.

Foreign Direct Investment (FDI) brought about development to developing nations through the development of infrastructure, introduction of new technology and new business systems, improvement of communication, new work culture, creation of employment and in the case of Zambia including opening of new mines. Others included combating of corruption by the host country, streamlining procedures, investing in the physical and human capacities that were a foundation for both foreign and domestic investments and profits made as a result of FDIs contribution to corporate tax revenues in the host country.

On the other hand FDI has got negative impact also on developing nations, like Zambia casualisation of the work force, mass redundancies, unsafe working conditions for workers, failure to take on the payment of pension to former employees, contamination of the natural environment and increasing dominance of foreign culture over the host country cultures by those of the investors. Others included manipulation by guest countries of the prices of intra-firm trade by multinational enterprises (MNEs) to reduce their global tax payments.

Reasons Why Developed Countries Invested in Zambia through FDIs: In some countries, USA in particular, perceived FDIs as a way of depriving the employees of their jobs through exporting the same abroad.

In Zambia the situation was favourable for the rapid growth of the copper industry due to good world copper prices through the late 1960s and early 1970s. Zambia was seen as the model for a continent moving rapidly towards political and economic independence, industrialisation, creation of employment and an end to poverty. Under ZCCM mining companies managed the environment in the mine townships maintained the roads and collected refuse as well as providing cafeterias, bars and social clubs all over the mine townships.

Nationalisation of the mines in Zambia eventually resulted in the failure by the government to recapitalise the mines. The drop in the price of copper on the world market worsened the situation. Zambia borrowed in order to maintain social provision but eventually found itself in a severe debt crisis. Between 1974 and 1994, per capita income declined by 50% leaving Zambia the 25th poorest country in the world. Zambia tried to negotiate the interest on loans obtained from World Bank and IMF, but they could not accept the proposal of paying 10% interest on net export earnings, World Bank and IMF and almost all Zambia’s donors decided collectively to starve the country of assistance.

Zambia had little choice but to accept re-engaging the Bank and the Fund. Finally, Zambia accepted new adjustment programme in 1989 and donors started coming back to the country. A number of economic conditions were attached to the loans given to Zambia one of them was to sell 280 parastatal companies and by June 1996, 137 were sold to foreign companies.

When the Movement for Multiparty Democracy (MMD) came into political power in 1991, it liberalised the economy of Zambia. After the liberalisation of the economy donors brought in aid money and the budget became more than 40% donor dependent. The notables were that:

- Zambia got a raw deal during negotiations under Development Agreements, which resulted in investors being exempted from covering most of ZCCM’s liabilities.
- World Bank and the International Monitory Fund (IMF) directed rather than advising the Zambian Government on privatisation, using Zambia’s dependence on them for aid and debt relief as a weapon to ensure that labour laws were passed or tailored in favour of investors.
- Although investments had created some new jobs, there was poor quality in employment in that around 45% of the workforce in the mines was not on permanent and pensionable contracts.
- Investors refused to take on the company’s liabilities, instead passed them on to the Government to pay for example pension provision.
- Many local suppliers lost the business they used to conduct with ZCCM.
- New investors left the provision of social infrastructure (like schools and hospitals) to the dictates of free-market ideology that those goods and services should be provided either by the local authorities or by market forces.

Conditions Given to Zambia for it to Receive Foreign Direct Investment: World Bank focus was on the privatisation of the mines right from the start. Zambia’s qualification in 1996 for the World
Bank’s Heavily Indebted Poor Countries (HIPC) initiative played one of the major roles in the privatisation of the mines. Throughout the privatisation period the Zambian government was being encouraged by donors to establish an "investor friendly" policy regime. Finally, the mines were in private hands with drastically reduced mineral royalty at the rate of 3% of the net back value of the minerals produced.

After the liberalisation of the economy copper prices steadily rose in 2003 and the value of copper exports increased two-fold between 2005 and 2006 reaching US$2.78 billion, but the benefits from the proceeds of copper did not trickle down to workers who showed their dissatisfaction by voting for the opposition party (Patriotic Front – PF) during the September 2006 general elections though the Movement for Multiarty Democracy won the election country wide. Zambia had managed to make companies happy but had lamentably failed to collect a sensible share of revenue or to perform its role as an effective regulator, protecting the rights of workers and local communities or as a provider of social services.

To attract FDIs, Zambia undertook legislative reforms to improve the investment climate, which led to the enactment, revision and amendments of pieces of legislation, for example the Zambia Development Act, Companies Act and the Employment Act. To stimulate private sector investment in the country, the Zambian government implemented the IMF and World Bank reform programmes, which led to the abolition of price controls, liberalisation of interest rates, abolition of exchange rate controls, 100% repatriation of profits, free entry to investment in virtually all sectors of the economy, privatisation of state-owned enterprises, trade reforms aimed at simplifying and harmonizing the tariff structure and removal of quantitative restrictions on imports.

The Benefits of Foreign Direct Investment to Zambia: The economic benefits of both local and foreign direct investments could be measured by the favourable and positive impact on factors or indicators, which include government revenue, employment generation, export earnings, technology transfer and skills training for resident employees as well as multiplier economic effects through service provision to the general public.

According to the literature review findings it could be understood that FDIs were essential for a nation’s economic development. A success story of development as a result of FDIs was that of Brazil’s economy. In 1969 Zambia’s GDP was higher than that of Brazil.

Even the field research indicated that a total of 88% agreed that FDIs had positive impact on the economy of Zambia in that jobs were created and economy showered some positive improvements in growth:

Benefits of FDIs to ordinary zambians in peri urban and rural areas of operation

FDIs lead to the establishment of a strong economy, strong corporate profits and cash flow, booming stock market and strong currency in Zambia. That was confirmed by significant growth in real GDP 3.3% to 5.7%, real GDP per capital (2002) $316 to $365 (2007) and reduction in inflation 26.7% to 8.9% and bank interest rates 50.0% to 24.4% as was indicated during the period from 2002 to 2007 inclusive. (MOF and IMF 2008).

Since the re-introduction of FDIs there had been development of infrastructure like Livingstone Airport, introduction of new technology and new business systems, improvement of communication for example establishment of mobile phone companies like Airtel, MTN and Zamtel, introduction of new culture, to a greater extent creation of employment, recapitalisation of mining companies and the opening of new ones like Lumwana mine. One other important and inevitable factor, which came with the inflow of FDIs, was human capacity building in order to operate new equipment and machinery.

FDIs investment had social implication of increasing employment levels when huge investment was made in the mining sector. Konkola Copper mine had employed up to more than 10,000 employees. That in turn had put money in the pockets of citizens and it had multiplier effect on the economy through increased consumption of goods and services.

Rural Zambians have benefited from FDIs through investments in mining and other sectors that are based in rural areas; FDIs were a catalyst in bringing or reducing illiteracy since to educate children required finances. Also 80% of the inhabitants on the Copperbelt were employed by the mining sector,
Konkola Copper Mines being the largest employer in that region of Zambia. Thus, investment through FDIs had been a source of job creation in Zambia.

The Influence of FDIs on culture and society in Zambia

- However, FDIs also had negative impact on developing nations like in Zambia casualisation of the work force, mass redundancies, unsafe working conditions for workers, failure to take on the payment of pension to former employees, contamination of the natural environment and increasing dominance of foreign culture on Zambian culture by those of the investors. Others included manipulation by guest countries of the prices of intra-firm trade by multinational enterprises (MNEs) to reduce their global tax payments.

The pullout of most investors in the mining sector like Konkola Copper Mines’ downsizing was a drawback and had a negative effect on the local economy which also resulted in retrenchments of workers hence no income for most of the families and they could not afford health facilities, sending children to school and that also led to some girls turn to prostitution as a means of survival in the mining towns though prostitution was dangerous especially with HIV/AIDS pandemic around.

Other negative characteristics of FDIs included, the fact that Zambia got a raw deal during negotiations under Development Agreements, which resulted in investors being exempted from covering most of ZCCM’s liabilities, for example pension provision, passing of labour laws in favour of investors, poor quality in employment that around 45% of the workforce in the mines was not on permanent and pensionable contracts, losing of business by local suppliers which they used to conduct with ZCCM and new investors leaving the provision of social infrastructure (schools and hospitals) to the dictates of free-market ideology of those goods and services being provided either by the local authorities or by market forces.

The Contribution of FDIs to trade globalisation with regard to Zambia

- To some extent Foreign Direct Investments had led to the material culture starting to look similar worldwide and national economies merging into interdependent global economic systems. It was one of the systems that had contributed to the reduction in barriers to cross-border trade and investment hence it greatly contributed to trade globalisation. FDIs also endowed a company or country with new markets and marketing channels.

Zambia Shared the Effect of FDIs through involvement in production of components

that could be used in producing end Products in other Countries: FDIs to some extent brought about similarities in goods produced in developed countries, but that was very minimal in the case of Zambia, because Zambia had not been in the fore front of producing components that could be produced for other countries, not even in the continent, however there was an increase in trade in Zambia with other countries as a result of mining activities in the country. That resulted in huge export earnings, which contributed positively to the economy. That was attributed to Zambia having adopted multi party politics, which brought liberalisation of the economy and opened up doors to foreign investment.

The contributions of foreign direct investments on the Copperbelt

FDIs presence on the Copperbelt presented empirical evidence of economic growth in the area of operations:

KCM corporate social investments

Konkola Copper Mines (KCM) strived to ensure that the impact of investment went beyond simply paying taxes, but benefited the communities where they operated.

The Corporate Social Responsibility (CSR) programmes had a rich history. ZCCM-KCM division specifically took on significant social responsibilities from the period before the privatization of the mines, including the development of hospitals, schools and other social programmes. After the acquisition of KCM, the CSR programmes expanded to ensure effective and maximum outreach.

Since 2005, KCM had spent over US$ 150 million on CSR programmes. The five key areas for social development cover: Health, Education, Sustainable livelihoods, Infrastructure and Sports development:
Health: KCM continued to operate two hospitals and eight clinics it inherited prior to Vedanta’s acquisition of the mine, providing free medical services to more than 63,000 people annually from across Zambia, including KCM employees and their dependents. It also provided subsidised healthcare to the general public.

Over the years KCM had supported a number of important health initiatives, including:

- Eye Screening Programmes: Between 2008 and 2012, KCM financed eye screening: provided 15,000 reading glasses to school children and elderly people, and conducted 171 cataract eye operations.
- Artificial Limbs: In 2008, KCM provided 176 amputees in Zambia with artificial limbs.
- Kidney Disease Surgery: Since 2012, KCM supported the first private sector programme bringing permanent access vascular surgery for haemodialysis treatment in Zambia for patients suffering from kidney disease.
- Malaria: Since 2004, KCM supported the Expanded Rollback malaria programme, involving an integrated vector management approach through Indoor Residual Spraying (IRS) of over 40,000 households per year. In the recent times, the programme had moved to provide mosquito nets to households.
- HIV/AIDS: In 2007, KCM launched its workplace HIV/AIDS policy to mitigate effects of HIV/AIDS among employees. Since then, the programme was extended to communities around KCM operation areas.
- Education: When KCM inherited two schools from ZCCM in 2005, it expanded the schools to offer education to more children. KCM extended the two primary schools that it inherited at privatization to full secondary level schools through investment in infrastructure and teaching staff. Previously, the schools accommodated 650 students; however, KCM’s investments meant the schools provided education to over 2,000 students. In addition, the top 15-20 students from those schools were sponsored for full-time degree programmes.

Other investments in education included:

- Computer Literacy Programme: Since 2010, KCM provided 410 computers to government run schools, impacting up to 7,000 students. The project was adopted by government as a national policy.
- Nampundwe Primary School: The school, near Lusaka, was converted into a high school and an examination centre. That was achieved through the construction of 10 classroom blocks as well as two science laboratories; doubling enrolment to 1,700 in 2013.
- Classroom Construction: KCM constructed 9 classrooms in 3 government run schools in Chingola in order to create more space for students. Another initiative was to connect a rural school to the national power grid.
- School Hygiene Investments: That included installing boreholes in 10 government run schools, as well as toilet facilities for each school.
- Scholarship Programme: KCM awarded 302 students with scholarships to study in a number of fields, including medicine, mining and business courses in the UK, Australia, India, Namibia, Kenya and Zambia since 2007. That programme covered both employees and their dependents.
- Kitwe Trade School: As one of the largest vocational training centres in Africa, the school provided artisans with skills that were critical for the mining sector. It trained an average of 200 people students each year.
- The day care centres in Chililabombwe and Chingola cater for 320 children of local Marketeers
- The centres provided those children with meals, uniforms and education
- Sustainable development: KCM worked with the local communities to originate sustainable projects that ensured self-sustenance and development beyond the life of the mine. Among those initiatives were:
- Youth Skills Development: KCM supported initiatives for youth skills development through its NGO partners. The programme targeted youths involved in illegal small scale mining by providing training in life skills like tailoring, art, livestock rearing and career guidance for conventional education.
Sustainable Livelihoods Programme: In 2012, KCM launched the US$ 2 million enhanced sustainable livelihood programme, which provided livestock to small scale farmers, particularly to women and youth. Beneficiaries were imparted with farming knowledge and the programmes helped with income generation, a reduction of poverty and enhanced food security.

Infrastructure: In 2012, KCM invested in road infrastructure, reconstructing 7.5 kilometres of road network in Chingola and targeting roads leading to densely populated areas at a cost of US$ 4.5 million.

Sports Development: KCM has been the largest sponsor of football in Zambia, and was the only privately owned firm that supported four teams in the top leagues of the Football Association of Zambia (FAZ). The teams supported in the league were: Nchanga Rangers; Konkola Blades; Konkola Mine Police and Nampundwe FC. Football was not simply important as a sport in Zambia, but it also provided an alternative source of livelihood for thousands of young footballers and support staff. Teams provided employment to 160 young talents. Those four KCM teams provided 10 players to various junior and senior national football teams. In addition, two coaches from the KCM clubs were appointed to train Zambia’s national youth teams.

Other football support and sponsorship initiatives have included:

- FAZ Leagues: KCM pioneered the private sector sponsorship of all structures in the FAZ leagues from 2005 to 2011. The support to the FAZ league was comprised of financial support to all registered teams, footballs and the use of two KCM stadiums to the Zambian national team.
- African Cup of Nations: In 2012, Zambia won Africa’s premier football event, the African Cup of Nations (Afcon). In celebration of the achievement, KCM chartered a Boeing 737 aircraft to carry supporters from Zambia to Gabon and back to Zambia, accompanied by the victorious national soccer team. Key to that success was the holistic approach taken to support the FAZ league, the hiring of specialist coaches, and the sponsorship of four teams in the league.

Football was not the only sport that KCM supported:

- KCM also provided Platinum sponsorship of the Zambia Open golf championship – a fixture in the Sunshine Tour – in both 2011 and 2012.
- In 2012, the company also provided a US$2 million upgrade of the Nchanga golf course restoring it to its former glory – the club was ranked 14th best outside the USA in 1979. (Source: CSR of KCM)

Conclusions on the findings

The sampled investors in the FDIs survey were satisfied with the investment climate in Zambia with a significant number of them ranking the various factors of taxation system, employment registration, legal system and investment regulations, effectiveness and usefulness of government institutions charged with facilities and regulations of the investments process as either good or fair. 77% of the respondents indicated that they expected Zambian’s economic future to be bright.

However, there was considerable dissatisfaction in some spheres in both areas of government policies and efficiency of institution that played key roles in the investment facilitation. Much more needed to be done to ensure a bright economic future. There was need for consistency in policies, particularly tax policies and the need to ensure professionalism in institutions that played investment facilitation roles in the investment process. There was also need to ensure that the investment policies benefited the local investors as well.

The overall survey reflected a general positive impact to the domestic economy by the major economic factors analyzed in the study. FDIs had created employment at Konkola Copper Mines of more than 10,000 workers. That in turn had put money in the pockets of citizens and it had multiplier effect on the economy through increased consumption of goods and services leading to alleviation of poverty to some extent of people living in Chingola. Jobs were created through factories and companies that worked in collaboration with Konkola Copper Mines. Jobs were also created through contracting workers though their wages were lower compared to those that worked directly under Konkola Copper Mine.
Foreign direct investment in Zambia helped to create linkages between local and foreign investors to a smaller extent. Linkages created channels through which skills, knowledge and technology from foreign firms diffused into local firms was achieved but not in trade, KCM procured mainly from abroad.

Political stability was one of the most important motivating factors to investors for choosing to invest in Zambia. Other factors were macroeconomic situation and the market size. Factors such as raw materials, cheap labour and production costs were of secondary importance overall. Stock market was another important investment factor. Additionally, another investment factor was Zambia’s geographical strategic location as it offered access to markets in neighbouring countries. Thus, being land linked as opposed to land locked thought before.

The process of investors taking over Konkola Copper Mine appeared not to have been done in good faith especially where employees were concerned. Employees knew that working conditions were not the same as they were under ZCCM. That pointed to failure by both investors and government to handle the transition professionally. It seemed there was failure in managing change from ZCCM situation to the privatisation of Konkola Copper Mine to Vedanta Resource Plc led private hands.

Implications and recommendations

When the mining industry is functioning to the full capacity the gains that are possible for all are enormous. In the past miners were able to get sufficient wages to support their families and possibly plan for a small business which they could develop with their pension upon retirement.

The miners who were still working after privatization lived in poverty, they were not able to feed and clothe their families and they were fearful of how they would survive their retirement without a pension. By then the government and the mining companies seemed not to have been accepted by the mining community.

The evidence gathered from the report (Fraser and Lungu, 2011), suggested that well-founded popular complaints about the mining industry were based on bread and butter issues which included poverty wages, insecure terms and conditions, resistance to legal right of trade unions, inadequate support for retrenched and retired workers and a failure of attention to safety measures and environment protection by the new mining companies. The government might need to break free of the obsession with ‘investor-friendly policies’ and use their regulatory and legal powers to prioritise the need and rights of workers and communities.

Proposed FDIs Mining Sector Implementation Model for Zambia (The JCP Model)

For Zambia to gain maximum benefits from its natural resources, there would be need to establish a clear relationship of the diamond nature other than the triangle nature which existed at the time of the study. As shown by the above model, an introduction of an agency specialised in the mining sector for policing the regulation of the mines, assessing and collection of the revenues from the mines in form of royalties and taxes. That is required because Zambia Revenue Authority (ZRA) has no capacity to adequately address the issues of revenue collections from the mines. Such an agency is to have mining experts capable of assessing the revenues from the mines and then tax the companies according. The proposed Agency would relieve the pressure from ZRA and allow the government to concentrate on policy issues and creation of the ‘enabling environment’ in the mining sector.
Other roles of Zambia Mining Agency (ZMA) would extend from implementing government policies to ensuring that the local businesses and communities’ benefits from the FDIs’ areas of operations by creating business linkages and demanding adequate social investments in all social sector of the communities.

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The Changing Nature of the Human Resource Function: Challenges and Opportunities in Achieving High Performance through Contemporary HR Practices

A Case Study Done on A Knowledge Company, Actioninvest Caribbean Inc.

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Abstract

The rise of volatility in world market coupled with globalization necessitated the rearrangement of various functional activities in order to meet the organizational strategic objectives. This, as a consequence, has triggered the birth of new strategic roles for HR functions as the outcome of this global trend (Mohiuddin, 2011).

The fundamental objective of AICI is sourcing the people with the requisite skills attitude and experience to achieve the goals and objective of the organization viz-a-viz, investing in their employee’s education, by providing the opportunity for each employee to participate in all the training that the company are providing, in order to retain them. Some HRM competencies are considered more important and can be done by training planning, training needs analysis, communication, technological literacy, business knowledge, and technical competencies were regarded. An organization need to have effective strategies for performance management, by setting clear goals and expectations for work performance, which also involves monitoring employee performance with regular check-ins and meetings, offering rewards and praise for good performance and addressing poor performance, do regular rating performance through reviews and continuously developing the capacity for optimum performance. Employees cannot meet the performance expectations or company goals if they are not clearly outlined, HR will also need to check in with teams and employees periodically not only to gauge progress but also to provide feedback. With a good performance feedback, it will reinforce strong skill sets and positive behaviors while showing opportunity and areas with a clear strategic planning for improvement (Pollock, 2018).

Introduction

The rise of volatility in world market coupled with globalization necessitated the rearrangement of various functional activities in order to meet the organizational strategic objectives. This, as a consequence, has triggered the birth of new strategic roles for HR functions as the outcome of this global trend (Mohiuddin, 2011).

Human Resources are a critical factor in cost and efficiency of delivery and their decisions often have to be made literally in front of the customers. Therefore, it is more logical to give management responsibility to the same manager who is responsible for the service to the customers. Furthermore, the fact that decisions are increasingly made in real time is a rationale for the line involvement in HRM. HR decisions like task allocation and competences are often hard to isolate from other decisions. Besides this, waiting for the decision of a HR professional will slow down the decision-making process.

The development of cost-centre or profit-centre approaches in organizations is another reason for the growing HR responsibilities of line managers. Another critically important reason for line involvement in HRM, is changes in the philosophy and organizational structure is that organizations want to be more competitive by trying to reduce overhead. In so doing, reducing specialists and employees in the HR department, would result in some of their responsibilities devolving into line managers (Turhalle, 2009).
Empirical context

The evolving role of line managers in contemporary HR functions

The role of line managers has changed over the last two decades. There is a widespread drive to give line managers more responsibility for the management of their staff and to reduce the extent to which human resource departments control or restrict line management autonomy in this area (Brewster & Larsen, 2000 & Turhalle (2009)). HR professionals no longer have sole responsibility for the management of people, but share this responsibility with line managers. There is evidence that HR responsibilities are increasingly decentralized and devolved to line managers (Whittaker & Marchington, 2003; Renwick, 2002; Cunningham & Hyman, 1995; Kulik & Bainbridge, 2006). Brewster and Larsen (1992, p.412) define devolvement as “the degree to which HRM practices involve and give responsibility to line managers rather than personnel specialists”

Citing Siugzdiniene (2008), “current models of Human Resource Development (HRD) suggest that expectations about a line manager’s role in HRD are changing as organizations are striving to make HRD function leaner and more strategic. In this context, line managers are increasingly held responsible and accountable for human resource development.” Academic literature has suggested that line managers can play an important role in encouraging employee learning and development. As such, in recent years the concept of line managers assuming developmental roles such as learning facilitators or coaches has received considerable attention. The HRD literature, however, remains largely rhetorical and theoretical in view of encouraging line managers to assume this responsibility (Siugzdiniene, 2008).

Research has also shown that to a great extent, HR decisions are often times configured by line managers who exert influence in the political processes leading up to specific decisions about the employment terms of their employees, often in ways not contemplated in policy and unexpected by top management. Hence, it is implied that line managers do not only act as agents of the organization, but can exercise discretion in different ways while pursuing their own objectives as managers of a business unit. The manner in which such discretion is exercised is essential component of an HR system and may have implications on such outcomes as employee behaviors and attitudes, and organizational performance (Cotarelo, 2009).

The HR responsibilities of line managers include day to day operational HR activities like individualized pay awards, appraisal, training and development, motivating teams and on the job training (Cunningham & Hyman, 1995). With this development HR professionals focus more on strategic and long-term aspects like HR-planning and industrial relations (Kulik & Bainbridge, 2006). Overlapping reasons of why line involvement in HRM is greater in recent years are indicated by Brewster and Larsen (2000) cited by Turhalle (2009). There is a need for a comprehensive approach to HRM. In this respect, this approach is argued to be best achieved by unifying responsibilities under the manager with the day-to-day responsibility for employees since they are in constant contact with the employees. In addition, the growing influence of the service industries. The focus is more and more on fast responsiveness to the customer and delivery quality, time and flexibility.

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<thead>
<tr>
<th>Traditional HR functions</th>
<th>Emerging HR practice</th>
</tr>
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<tbody>
<tr>
<td>Administrative focus</td>
<td>Strategic focus</td>
</tr>
<tr>
<td>Reactive</td>
<td>Proactive</td>
</tr>
<tr>
<td>Separate and Isolated from company mission</td>
<td>Key part of organizational mission</td>
</tr>
<tr>
<td>Production focus</td>
<td>Service focus</td>
</tr>
<tr>
<td>Functional organization with vertical lines of authority</td>
<td>Process-based organization</td>
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<tr>
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<td>• Generalists with horizontal responsibility</td>
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Human Resources are a critical factor in cost and efficiency of delivery and their decisions often have to be made literally in front of the customers. Therefore, it is more logical to give management responsibility to the same manager who is responsible for the service to the customers. Furthermore, the fact that decisions are increasingly made in real time is a rationale for the line involvement in HRM. HR decisions like task allocation and competences are often hard to isolate from other decisions. Besides this, waiting for the decision of a HR professional will slow down the decision-making process. The development of cost-centre or profit-centre approaches in organizations is another reason for the growing HR responsibilities of line managers. Another critically important reason for line involvement in HRM is that organizations want to be more competitive by trying to reduce overhead. In so doing, reducing specialists and employees in the HR department, would result in some of their responsibilities devolving into line managers (Turhalle, 2009).

**Shifts in HR management**

Source: HR 21 Human Resources for the next century (Washington DC, Watson, Wyatt Worldwide.)

Human Resource Professionals’ roles are not only about hiring and dealing with personnel matters, “it has evolved where the responsibilities are now shifted into strategic planning, recruiting, coordinating, design and development of HRM practices in an organization. Concurrently, the role of line managers sees them responsible for the implementation of these practices on the operational platform.

The way that HRM practices, designed by HR professionals, are implemented by line managers has become an important determination of success or failure of those practices. Hutchinson and Purcell (2003) concur by stating that “The implementation of HRM practices by line managers is for the monitoring of employee behaviour, motivation and satisfaction. Therefore, line managers play a critical role in influencing employee attitudes and behaviours by the way in which they translate the designed HRM practices into practice. This can be vital in making the difference between low performing and high performing organizations”.

**The opportunities and challenges by the use of data analytics**

HR analytics, also known as people analytics, is the use of people-data in analytical processes to solve business problems. HR analytics uses both people- data, collected by HR systems (such as payroll, absence management) and business information (for example, operations performance data and HR Analytics Factsheet) in order to improve a business’s human resources functions as it can be considered as a time saver and improves the business’s efficiency.

This refers to qualitative and quantitative techniques and processes used to enhance productivity in a business. This process is whereby data is extracted and categorized to identify and analyse behavioural data and patterns, and techniques vary according to organizational requirements.

Data analytics has significantly improved HR’s execution, planning and decision-making process in many aspects. For example, with data analytics in an advanced technological age comes ‘BIG data’, where data analytics and tools designed to support this allow for large volumes of data to be collected, managed and stored to be used by HR professionals for trend analysis to inform actions and decisions. This was not a possibility in the age where technology was limited. This helped with performance boost; as this gives a valuable input on key areas of focus for HR professionals such as employees’ performance and their overall results.

Areas which require more attention are able to be detected and such analysis starts from the general conclusions on company results, over specific units, all the way to individual achievements of the employees within the company. BIG data can also help to bring Higher retention rates as according to research; almost sixty percent of organizations consider employee retention a big problem as employees often feel neglected, dissatisfied, or underachieved, which is why HR managers need to react sharply and solve the problem. Contemporary analytical tools enable companies to notice these problems on time and make moves to preserve good employees from exciting their employ which meet the goal of having a higher employee retention rate. Most importantly, using data analytics can even bring about better financial results as the total costs of the workforce can increase exponentially for company’s operating
expenses, which means that HR management is absolutely essential for the overall financial results of the AICI. Using BIG data enables companies to recognize the weak spots, improve productivity and eliminate obstacles, which ultimately lead to higher revenues for the company.

**Impact of data protection on HR activities in relations to the needs of stakeholders**

With the increased use of data that is often sensitive to individuals, comes the need to have it protected. As a result of this, much focus has been placed in recent years on needs for data protection and the development of means to do so. The General Data Protection Regulation (GDPR) may have not been so relevant for day-to-day practice. However, its impact on the processing of personal data within businesses, (particularly that of HR data and their stakeholders) has been tremendous. Human resources management involves the processing of personal data, payroll data, employee performance, all of which qualifies as personal data that falls within the Regulation’s scope.

**Reflective practice**

In the world of professional development, reflective practices is considered the foundation; allowing for the professionals to gain insight from experience and transforming insight into practical strategies for personal growth coupled with organizational impact. Reflective practice involves the integration of activities on a routine basis allowing for raised awareness, critical analysis, improved decision making. Schön (1983) posed the argument that expert practitioners can be distinguished by their ability to reflect on their practices when handling complex situations.

There have been several theorists that have over the years discussed the theory of reflective practice including Boud (1985), Kolb’s learning cycle (1984) and Gibbs reflective cycle (1988), ranging from simplistic to complex supporting the notion and need for reflective practice.

And with the theories that have been developed there are also types of reflection which allows for reflection in-action and reflection on- action (Schon, 1983). According to Bruce Britton (2010) “reflective practitioners may ‘reflect on-action’ or ‘reflect in-action’”.

Reflecting on-action means reflecting after an event or incident occurs. Reflecting on action is distanced in time and space from the original experience. Reflecting in-action involves ‘thinking on your feet’ during the activity itself and is more challenging but also more immediately rewarding as it can influence decisions and actions as they unfold in real time. Reflecting on action and reflecting in action both demand a high level of individual competence.

**Employee resourcing**

Employee resourcing (ER) or people resourcing, refers to “that part of personnel and development which focuses on the recruitment and the release of talent individuals from organizations, as well as the management of their performance and potential while employed by organization” (Pilbeam & Corbridge, 2002). Taylor (2002:1) argued that ‘effective hiring and firing, attracting the best candidates reducing staff turnover and improving employee performance are fundamental management functions.

ER therefore involves the range of methods and approaches used by employers in resourcing their organizations in such a way as to enable them to meet their key goals (Taylor, 1998: 2). As such, employee resourcing involves staffing—that is, recruitment, selection, retention and dismissal; performance—that is, appraisal and management of performance; administration—that is, policy development, procedural development and documentation; and change management—that is, the importance of the resourcing function as a change agent.

**Performance management and appraisals**

Organizations rely heavily on their intangible assets to build value especially within the framework of a knowledge economy. As a consequence, performance management at the individual employee performance is strong. Management’s time and effort to improve performance is strong. This does not only serve to aid in the achievement of organizational goals but also decrease turnover (Ch.8: Performance Management and Appraisal).
Aligning the appraisal process

In order to minimize inconsistencies in organizations, there are largely two approaches that can be undertaken to create processes in this respect. One method is to gather all of the raters within a given division, department or section within the organization, in one place where each individual’s evaluation is being discussed. Another approach is done through ‘calibration’. This is usually done through face-to-face with a group of managers who are responsible for one division or department within an organization. The end result, however, is not necessarily a ranking of employees. It is designed simply to standardize evaluations among multiple managers. Yet, there are some issues with this process. For example, if one manager is a better communicator than the other, the process can still be inconsistent. In order for this process to be successful, all of the managers must be given a chance to speak on behalf of their employees. In fact, a professional facilitator may help to get individual managers the time to speak in support of their employees.

On the other hand, autocratically dictating a ranking process based on a forced distribution also helps overcome this problem of managers being too hard and easy in their evaluations. But not allowing managers to have input into the method of making more consistent in their assessments can lead to other problems within the performance appraisal process.

Recruitment and resource-based theory

HRM plays a prominent role in ensuring that an organization’s HR are valuable and resourceful (Armstrong, 2012). Therefore, efficient recruitment and selection of employees (whether internal or external) will provide an organization with a competitive advantage and the necessary strategic capability to achieve success (Hoopes et al., 2003).

Resource-based theory (RBT) suggests that human assets can be a source of sustainable competitive advantage (Barney, 1991). This emphasises the importance of human capital for sustainable organizational success. The accomplishment of an organization’s aims and objectives lies in the quality of its workforce (Baroukh and Kleiner, 2002). This is why effective recruitment remains a key factor in the success of an organization (Williamson, 2000). Bidwell (2011) argued that internal recruitment is the most efficient (in terms of employee performance and firm-specific knowledge and skills) method of recruitment.

External recruitment is when people are recruited from outside the organization to occupy vacant positions (Royal and Althauser, 2003) whilst internal recruitment is when an organization recruits within its ranks to fill vacant positions (Bidwell, 2011; Anyim et al., 2011). For Bidwell (2011), internal recruits perform better than external hires, even though they cost less and are often paid less.

Given that it is important to get the HR right, several studies have examined the process that governs internal recruitment and its importance in organizational success (Doeringer and Piore, 1971; Althauser and Kalleberg, 1981; Dencker, 2009). On the one hand, Baker et al. (1994) argued that in many cases external hires tend to have more experience and are better educated than internally promoted staff. Devaro (2016), nevertheless, contends that the decision to hire within or from outside of the organization depends on factors such as the nature and level of the job, the characteristics of the organization, and the system of the organization’s HRM policies.

The choice of methods, however, aims to fill the vacant positions with the best candidates in order to achieve a competitive advantage. Drawing again on RBT, organizations compete against each other on the basis of their resources and capability (Barney, 2001; Wernerfelt, 1984). According to Armstrong (2012, p. 7), “competitive advantage is achieved if an organization’s resources are valuable, rare, and costly to imitate”. RBT advances that HR form an essential factor in terms of assisting an organization in its goals, mission, and vision and in terms of achieving a competitive advantage (Barney, 2001). The theory maintains that the strategic capability of an organization depends on the quality and strength of its HR (Armstrong, 2012). RBT, therefore, focuses on the skills, knowledge, and competencies of employees. The theory provides that an organization can achieve a competitive advantage over its competitors by attracting, employing, developing, and retaining resourceful workers (Bowen et al., 1991).
Research focus and methodology

This paper uses qualitative data which was generated from semi-structured interviews of key executive management personnel and other employees of the organization, together with review of existing framework in place – that is, policies, procedures and practices.

The focus of the research was premised on the undertaking of a comprehensive review and analysis of the organization’s human resource management systems and practices, in the context of contemporary HR management practices with appropriate recommendations thereto.

Discussion and analysis

In the case of ActionINVEST Caribbean Inc., it is worthwhile to note that this company was formerly known as Doerga Business Enterprise which started in February 2000 as a sole trader venture. In this initial stage, the business had a total of four employees including the owner/manager, and was primarily involved in the wholesale and distribution of consumer commodities.

As the business started to grow, the staff complement was expanding and in 2006 the business acquired its own property which housed its operations, and boasted one of the largest wholesale and retail cosmetic and health care store in Corriverton, Berbice. It was the largest importer for Avon cosmetics in Guyana, winning many awards for over five years, and also had the leading Salon with over 15 staff member.

With respect to the HR functions of the business enterprise during this period— that is, the first fourteen years of its existence, growth and incremental evolution; this aspect of the business was largely informal and lacking proper HR structure. Exceptionally, the key contemporary HR practice which the business employed over the last four years or so is in relation to its recruitment process. To this end, the organisation has in place a well-functioning competency based and behavioural assessments. To date, these have proven to be effective in respect to the recruitment of talented and skills specific employees, aligned to the organisational strategic needs who contribute to the value-added growth of the organization. Additionally, most, if not all of the HR roles including administrative functions, have been performed by the owners of the company.

With the transformative and successful, rapid growth of this organization, in June 2018 the organization which operated as a sole proprietorship was converted into a private limited company operating under the name – Action INVEST Caribbean Inc. The company has also evolved into a full-fledged knowledge and/or business training and coaching company, with a total staff compliment of 18 and an asset base of GY$413M. It should be noted too that when it was established in 2000, the owners started with a capital of G$120,000— which, in just over one decade grew to G$413M in total asset base. (Please refer to Annex 1 for reference of a highlights existing portfolio of Action INVEST Caribbean Inc.)

Against this background in which the company has evolved to date, in regard to the specific context of the changing role of HR function in relation to line management, under the organization’s new structure, it is now seeking to develop a contemporary, comprehensive HR model which is currently a working progress. Under this new structure, the organisation is governed by a Board of Directors which constitutes a Chairman; three Executive Directors, and two Managers; each with their own functions to carry out in relation to HR practices.

Given these developments, it can be safely deduced that the model which the organization is seeking to adopt can be described as the Ulrich three-legged stool model for organization of the HR function emerged from Dave Ulrich’s work in the 1990s (Ulrich 1995, 1997a, 1997b, 1998), which divides the function into the three parts, these are mainly Centres of expertise where they have specialized person provide advice and services on key Human Resource activities. The most common expertise areas were training and development, employees’ relations, recruitment and rewards which includes the day to activities such as recruitment, absenteeism and employee issues. In the Strategic business partners’ relationship, this is where line managers help HR to reach goals through effective strategy and execution (Ulrich and Brockbank, 2005b).

In the data driven businesses environment, HR analytics helps the HR professionals to support the ActionINVEST as a strategic business partner (Ulrich, 1983). HR professionals at Action invest are using
data analytics to guide decisions with respect to talent management, employee resourcing, performance management and training and capacity development to meet the needs of the customers, in so doing achieving organizational success and profitability.

At ActionINVEST, as the company grows over time, the volume of information about its employees increases as well as its customers and their ever-changing needs. However, old data about previous employees are required to be kept for at least five years. Skills, behavior and competencies of each employee, in an Individual and organizational level, is increasing the volume of the information about him/her progressively. The opportunities of using data analytics, for example using a cloud-based payroll and HRM system, allows us to store individual personal information electronically which will be readily available should that information be required. Additionally, data analytics allows Management to do planning in a more strategic and diversified manner.

On the other hand, some challenges that can affect ActionINVEST in using data analytics would be breach of security, for instance if the system is hacked into; which can result in lost or stolen data, insufficient data (not having complete information). The cost of updating current systems and having outdated programs is also a major challenge that may not be compatible to current systems due to the business’s geographical location. Additional costs to implement or source the required programs can also be very expensive since it is modern technology and can put a strain on the company’s allotted budget relative to the HR area of the business.

Big data analytics is changing the way companies do their business in this modern day and age. It improves all aspects of the work, especially human resources. With new technological solutions that are continuously improving every single day, it is possible to measure, evaluate, and predict business results due to whichever situation the business may be currently facing.

The regulation in each country sets the legislative framework for the processing of personal data, with the aim of improving the protection of individuals’ privacy in a world where big data, cloud computing and digital environment (once thought of as the future) has now become real daily concerns for all businesses. This will impose a new series of obligations on businesses. These obligations concern varying areas with respect to employment and help to ensure the needs of the employees are met such as the right of access, right to be forgotten, right to accountability/ or to be informed and the right to privacy/security.

The right of access provides the employee the right to access and to be informed about the use of the data specific to the length of time data is to be kept, how the data will be used, how the data is to be managed and security measures in place to protect employees’ privacy. Data protection also allows employees to ask for accountability, where employers must be able to demonstrate their ability to act on request from employees to correct or remove data and communicate this to any external bodies with whom they may have shared data. This requires HR to establish interactive platforms such as portals that allow direct and real access to employees without having to physically seek out the HR department to gain access. For this HR implement systems such as HRIS allowing for self-service and direct access.

Employees also need to know for how long data will be stored and how it will be disposed of upon competition of the specific purpose for which it was collected. This “right to be forgotten” bring with the challenge for HR to address these needs by instituting policies and procedures on data management and disposal. Automatic protocols can be included on software used to allow for automatic disposal after a specified period for time has elapsed and to implement procedures to safely dispose of any hard copy files. One of the major stakeholder needs is the right to privacy. When ActionINVEST collects, stores or uses personal data, the individuals whose data is being processed is exposed to risks. A Data Protection Impact Assessment (DPIA) is used. The DPIA is a process designed to identify risks arising out of the processing of personal data and to minimize these risks as far and as early as possible (EDPS, 2018). Whereas personal data protection enforcement may not have been perceived despondent, the Regulations now provide regulators with the power to impose very dissuasive sanctions, including fines. In order to need the need of the employees as stakeholders to secure their privacy and security, HR invest heavily in encrypting data and to provide software to protect data but also goes a step further in training necessary to educate the employees on security risks, use of password protection, and restricted access to just authorized persons.
ActionINVEST has ensured that data protection regulations have been followed in the establishment of its systems for collecting people data for HR decision making purposes and has ensured that the right of access, the right to be forgotten, the right to accountability and the right to privacy/security for the employee has been addressed. ActionINVEST ensures that their data is shared within internal systems, whereas, employees and client’s information are stored in separate files, both electronically and by means of hard copy. Access to these folders must be by authorise personnel, which is the Personnel Secretary and Administrative Director. We have managed to establish this effective internal control system, since it is also a requirement for our ISO certification, which is the responsibility of the directors of company. Employees have the right to access files via a secure password protection online portal that is secured via data encryption and software protected against hacking. This practice for the management to demonstrate its “accountability” by taking full account of its obligations towards both employees and their clients.

The role of competencies in HR

At the core of HRM lies the concept of competencies, which provide a basis for integrating HR activities such as performance management, selection and training and development competency can be describes as behavioral, technical and professionalism. This refers to a person’s intrinsic quality or human capital, how well and individual or employee can deliver in terms of specific work-related structures. Competency focuses on the abilities that are critical to successful job performance, encompassing the right attitude being a team player with the ability to communicate excellently and persuasively, both orally and imperatively.

Integrated HRM as posited by Guest's (1987) model of Human Resource Management (HRM) seeks to align HR strategies with the business strategies through Horizontal and vertical integration of HR practices. Storey (1992) and Legge (1995) proposed the division of HRM integration approach into Hard and soft models, sees the business strategy being used to develop the HR policies. With the use of competency approaches in integrated HRM organizations can develop a coherent approach to managing employees.

As an employee with AICI, it is important to have specialized technical skills especially in the IT field since the company relies heavily on technology for the day to day management of the organization and delivery of training programmes. AICI seeks to have the most competent employees and the most capable managers and seeks to retain them.

The competency approach to HRM presents one way in which ActionInvest can achieve this. Like many other originations/companies ActionInvest realized the urgent need to find innovative ways to manage employees. This led the organisation to figure out how to detect the potential in good candidates, how to educate employees, how to motivate performance and talent management. Other concerns for HR also seek to address evaluation and remuneration combined with the issue of reducing turnover.

Once the competencies are defined, it is necessary to measure their level, which is to find out what degree the competencies are developed in the individual employees. The essential question is the reliability of the chosen method, which is precisely an effective, method to meet the important criteria’s, such as: objectivity, reliability, (standardization and validity (Evangelu 2009). It is necessary to combine several of them.

These classifications distinguish between the methods based on a direct observation of the demonstrated behaviour. The behavioural methods include the professed analogue methods that inspect the immediate behaviour following the enthusiasm, which includes group exercises, incoming mail method, role-playing, presentations, case studies, model behaviour, critical incident method (Kubeš et al. 2004; Kovács 2005).

Analytical methods, on the other hand, try to isolate and then measure the principle of competencies in the scope of the general human qualities. These methods are based on the assumption that there is a common group of personality characteristics and competencies that are collectively required and beneficial. Provocation situations in contradistinction to analogue methods, do not have to match or resemble the reality in the organisation. This group of methods includes tests of mental abilities,
questionnaires for identification of temperament, motivational tests, tests focused on the styles of leadership and management, and other, mainly psychometric techniques (Kubeš et al. 2004). Other frequently used indirect methods include the competency-based interview, which is 360-degree feedback evaluation, or the self-evaluation. Because it is useful to combine several methods, we can sometimes use the assessment or development centres. AGRIC. ECON. CZECH, 59, 2013 (11)

All Business Coaches in the organization must be certified in their field and must display professionalism at all times, since we coach clients from diverse backgrounds.

ActionINVEST determines the necessary competency by using job-specific competencies, along with education and experience for all individuals performing similar work for the organization and by using various tools for their selection and recruiting process, eg. VAK test, free online IQ, DICS profiling and Accumatch. These types of tests help to understand the potential candidate’s ability to learn, and decide on the areas in which they can best function.

For the current employees a 360 degree evaluation is done, whereby each team member has their input on the performance of their colleague.

Any Team member found incompetent according to ActionINVEST standard, will see the organization taking the necessary actions to build competency and maintain the records of the action taken, if necessary, ActionINVEST may assign them to a task that is more suited to their ability.

**Employee resourcing**

The effectiveness of employee resourcing is the fundamental objective of sourcing the people with the requisite skills attitude and experience to achieve the goals and objective of the organization when recruiting and selecting. The most significant change in recruiting practices has been the rise in the use of online recruiting. Many organizations post job openings on their web sites or on specialized sites, AICI uses Skilled Guyanese, and accepts mainly online applications, completely eliminating the hard-copy application.

The advantage of the online recruiting is easy, faster to post and receive responses and it cost less than the traditional advertising, which is the newspaper or television advertisement, it also reaches a wider range of applicants and can be set to target the right demographic. With the online processes it also allows you to screen applications and administer some selection tests, thereby significantly reducing the time required to generate a pool of qualified candidates.

This online format is immensely popular with job seekers also, since it ease the submission, allowing them to send out dozens of résumés with just a few minutes.

However, there must be system in place to filter out those who do not meet minimum job requirement. The ease of applying for a job online can generate a great number of applications, requiring HR staff to spend time sorting through applications to glean out the few that are actually qualified for the job. (By Myrna L. Gusdorf, MBA, SPHR,pg 06)

“Employee resourcing holds a key role to the success of any organization since it ensures that they have the suitable person to do the job is they attained in the organization, (Kavo- Linge & Kiruri 2013). It is concerned with the procedures of obtaining and retaining a workforce with the necessary skills, competences, training, attitudes, knowledge, ethics and values, (Karemu Grace, Gikera Kahara & Josee Veronese Marie 2014).

This is because AICI only hires and retains the the most suitable and qualified person for the require position in order to escalation its performance, (Majumber, 2012 and John, 2008). Boohene & Asuinura (2010.) Employee resourcing procedures should ensure that Employee selection process use the right tools to determine the most qualified person for the position. Performance at AICI is being measured by the 360-degree indicator for promote or transfer employees while a VAK test and Tony Robbins DISC test are being done to evaluate new recruiters to measure their leaning style and the position they are most suitable for. It involves both the newly hired and those to that are promoted or transferred. Abomeh (2013) and Gooderham et al (2008) contend that if clear resourcing procedure is followed based on practices then the organization is bound to outperform other businesses in the same industry.
Positive impact on employee retention

Poor employment relationship in an organisation can lead to employees leaving the organisation, which may be because of a much more attractive job opportunity or dissatisfaction with the current role or working conditions. Retention can be referring to as how well an organisation can reduce their staff turnover, and retain its employees (ABE, 2017, p.85). Employee Retention includes taking methods to inspire employees to remain in the organization for the maximum period of time (Griffeth & Hom 2001). Organizations are facing a lot of problems in employee retention these days. Hiring experienced people for the job is critical for an employer.

Retention is even more imperative than employing, there is no absence of opportunities for an inventive person. There are many organizations which are looking for such employees. If a person is not satisfied by the job he’s doing, he may seek a more suitable job. In today’s environment it becomes very important for organizations to retain their employees. The reason may be private or specialized (Fombrun, & Shanley, 1990). These reasons should be understood by the employer and should be taken care of. Most organizations are becoming aware of these reasons and are adopting many strategies for employee retention.

The topmost organizations are on the top because they value their employees and they know how to retain them in to the organization. Employees stay and leave organizations for various reasons. The reason for retention is broad agreement in the Human Resource literature about the general features of any potential Human Resource programme that contributes to good retention. Most of these are directly related to creating a satisfactory work environment for employees and thus, in turn, to good retention (Aquino, Griffeth, Allen, Hom,1997).

These structures or ‘stimuluses’ includes: stimulating work environment that makes effective use of people’s skills and knowledge, allowing them a independence on the profession, provides an avenue for them to contribute ideas, and allowing them to see how their own involvement influence the company’s well-being. The opportunities for learning new skills where they develop and consequent improvements on the job, taking responsibilities, and being able to communicate effectively, including a two-way communication, employee participation in decisions that affect them, and the understanding of what is happening in the organization. Employee look forward for an excellent compensation package and passable, flexible benefit plans, recognition on the part of the employer that employees need to strike a good balance between their lives at work and outside of work, also, respect and support from peers and supervisors.

Organizations that are obdurate, or whose organizational culture is considered by supremacy and autocracy are likely to have dissatisfied employees no matter how good the incentives to stay may be (Dalton, & Todor,1979).

AICI, invest in their employee’s education, by providing the opportunity for each employee to participate in all the training that the company are providing. They also have the option if necessary to be coached in areas needed. Employees can give their feedback without fear of discrimination. This is done by way of a , “WIFLE” (What I feel like expressing). – Instant Team Building -Bradley Sugar (2006). In the WIFLE each employee will express their concerns, feelings or any even a quote without any interruption from co-workers of Management. After everyone finishes expressing, then other Team members can respond in a burning if they need to justify what was said. This method of communication has proven to be very successful. Team members usually look forward for this weekly activity.

This is usually followed by weekly Management meeting where the Directors take action, implements or adjust systems based on employees’ feedback.

ActionINVEST is using the top down theory of approach as oppose to the bottom up, this is due to the nature of business which involves training and business coaching applying reflection on-action. However, in order to gain employee feedback, they have implemented the “WIFLE” (What I Feel Like Expressing). – Instant Team Building -Bradley Sugar (2006). In the WIFLE each employee will express their concerns, feelings or any even a quote without any interruption from co-workers of Management. After everyone finishes expressing, then other Team members can respond in a burning if they need to justify what was said. This method of communication has proven to be very successful. Team members usually look
forward for this weekly activity. This is usually followed by weekly Management meeting where the Directors take action, implements or adjust systems based on employees’ feedback. Look for the model that acknowledges the emotional component of reflection. This approach is in line with the consent of WIFLE.

Many of the benefits of reflective practice that have been identified by theorist were recognised in the execution of WIFLE. Overall at the company level reflective practice has enhanced organisational learning (Hilden and Tikkamaki, 2013, pp. 3, 76-95), has improved planning controls for both strategic and action plans. At the individual level it has improved the employees’ ability to handle events more efficiently and effectively with more confidence.

The Directors of ActionINVEST also apply a reflective approach during their usual strategic planning at the end of year using a method similar to “Bonds Triangular”, where they reviewed and analyze the training and coaching technique provided to clients, followed by a SWOT analysis.

**Conclusion & Recommendations**

In an organization where they are relating to culturally diverse workers, Human Resource managers must be able to understand their beliefs and recognize individual differences, and see the main objective is to have all employees trained in their respective fields in order to deliver value to their clients. HRM competencies are considered more important and can be done by training, planning, training needs analysis, communication, technological literacy, business knowledge, and technical competencies.

The fundamental objective of AICI is sourcing the people with the requisite skills attitude and experience to achieve the goals and objective of the organization when recruiting and selecting. AICI sees the positive impact of investing in their employee’s education, by providing the opportunity for each employee to participate in all the training that the company are providing, in order to retain them. Since both HRM and managers’ jobs and roles are related to performance, along with the drastic change in the globalized business environment, the issues regarding the linkage between HRM professionals’ competencies and roles and managers’ job performance merit more discussion.

Competencies, in general, encompass a cluster of skills, knowledge, abilities, and behaviours that are required for people to succeed in their workplaces (Caldwell, 2008; Davis, Naughton & Rothwell, 2004; Harzallah, Berio, & Vernadat, 2006; Hollenbeck, McCall, & Silzer, 2006; Park, & Lee, 2011). Some HRM competencies are considered more important and can be done by training planning, training needs analysis, communication, technological literacy, business knowledge, and technical competencies were regarded.

An organization need to have effective strategies for performance management, by setting clear goals and expectations for work performance, which also involves monitoring employee performance with regular check-ins and meetings, offering rewards and praise for good performance and addressing poor performance, do regular rating performance through reviews and continuously developing the capacity for optimum performance.

An employee cannot meet the performance expectations or company goals if they are not clearly outlined, HR will also need to check in with teams and employees periodically not only to gauge progress but also to provide feedback. With a good performance feedback, it will reinforce strong skill sets and positive behaviors while showing opportunity and areas with a clear strategic planning for improvement. (Sara Pollock, 2018)

**References**


Bank’s Profitability – a Case Study Guyana

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Abstract

The banking sector is the core segment of the financial system which can articulate a country’s economic progress. Further banks play an important role in the mobilization and allocation of financial resources in an economy. The soundness of financial position of a bank adds confidence to all financial participants and equally important for the country’s economy. In recent decades and relative to Guyana, banks have undergone extensive transformations brought about by the evolution of the contemporary economy, the behavior of recipients of banking services, the policies pursued by Governments over the banking sector and the progress of modern technology. In this paper quantitative and qualitative analysis on Return of Assets (ROA) and Return on Equity (ROE) are completed for the top three commercial banks with the highest levels of asset holdings in Guyana from years 2010 to 2017. They are Republic Bank Guyana Limited, Guyana Bank for Trade and industry limited and The Bank of Nova Scotia. This study is further diagnostic and exploratory in nature and makes use of secondary data and conclusion drawn provides that whilst these banks are profitable, management of its expenses must be a long-term strategic objective to manage effectively as margins are shrieking and further importantly to sustained market share and revenues horizon.

Keywords: Return on Assets (ROA), Return on Equity (ROE), Commercial banks & Profitability.

Introduction

Banking industry plays a crucial role in ensuring the stability of an economy as banks are regarded as the central part of financial system. The stability and soundness position of banks creates an environment of high economic growth and leads to the development of the economy. Most recently attention to profitability of banks has been on high agenda from regulators and more so the measurement of returns for all shareholders and the increase value to the financial system. The financial performance of banks is generally analyzed with the use of financial ratios and these ratios measure the financial health of banks given the elevated level of risk associated. Therefore, careful attention should be given to the financial performance of these banks in the current scenario in determining their long horizon sustainability and performances.

Profitability has been widely examined as a performance measure of the banking sector in developed countries (Sufian & Habibullah, 2010). The widely used indicators to assess commercial banks performance are return on total assets (ROA) and return on total equity (ROE). Over the past several years, an increased attention regarding performance analysis has been received by financial institutions particularly commercial banks. As a result, the research’s focus has been shifted from characterizing performance in simple ratios as ROA or ROE to a multidimensional systems perspective. According to Seiford and Zhu (1999), although important and relevant information about bank financial performance can be provided by accounting and financial ratios, research on assessing the relationships between financial factors and bank performance has to be extended. To assist improving bank productivity, the influence of financial factors namely net interest income, non-interest income and operating expenses measured against total income is relative to ROA and ROE. Further, holistically the existence of banking
system problems and the increase in the financial sector measures, limited or inadequate analyses have been done to conclude all the determinants of bank performance (Sayilgan & Yildirim).

**Problem statement**

Profitability is the basic aim of establishing business and banks are not exceptions. As profitability is an important factor for the smooth running of any business in today’s competitive setting and it has a significant impact on the performance of the institutions, as the financial proficiency of banks can also influence the economic development. So, to identify profit determinants provide an opportunity to know which variable’s influencing banks profit, management can concentrate their attention on it at the time decision making to adjust the factors. Besides, banks bankruptcies can link systematic crunch. Economic sector that has well established banking setup can also subsidize to the solidity of the financial system within boundaries of the countries. Over the preceding 30 years most of the researcher’s dedicated considerable time and money in the importance of the commercial variables and various studies have linked variables. All this points to the significance of variables that we are going to conduct study. To conduct a study about the determinants of the profitability of banks not only important for the proprietor but also for the decision makers to access and modify the performance of the banks accordingly to enhance their efficiency and profit describes by. (E. C. Mamatzakis, & Remoundos, P. C., 2003).

**Literature review**

**Economic profitability (ROA-Return to assets)**

Represents ratio of net profits and total assets of the Bank. Expressed so net profit on a monetary unit of active, giving an overall assessment of the profitability of the Bank. In American literature, it is known as the return on assets or return on investment and return on invested capital is measured in the Bank or the effectiveness of asset management.

**Financial profitability (ROE-Return on equity)**

ROE is defined as the ratio between net profit and total capital, measuring profitability of shareholders' investments, putting net profit brought by a monetary unit of capital.

**Profitability influenced by financial factors**

ROA and ROE indicators have been used by bank regulators and analysts to measure bank profitability, assess performance and predict market’s structure trend. They are used as statistical model inputs to forecast bank failures and mergers and for many purposes where a profitability measure is required (Gilbert & Wheelock, 2007).

Banking profitability can be looked at through ROE and ROA (Srairi, 2009) which are the most general ratios used in presenting banks performance. Central banks as supervisory authorities use those indicators in measuring profitability (Athanasoglou et al., 2008). Empirical studies on banking performance have widely focused on ROA and ROE ratios.

Obaid and Alzaabi (2011) concluded that financial ratios are considered as the most frequently tool used for analyzing the financial performance. The financial performance of a firm is revealed by analyzing the financial statement and the possible reasons for decreasing financial performance can be found. Financial ratios are generally used by the users of financial statements such as investors, creditors, lenders, stakeholders and other users who can face considerable losses due to business failure.

Conclusion drawn that the high bank profitability during these years 1999-2009 is associated with a large percentage of loans in total assets, a high proportion of customer deposits, good efficiency and a low doubtful assets ratio. In addition, higher capital ratios also increase the bank's return, but only when return on assets (ROA) is used as the profitability measure. (Trujillo-Ponce, Antonio, 2013).

A study conducted on the Latvian commercial banks in the period from 2006 to 2011 and on the basis of the obtained results, the authors have concluded that profitability has had a positive effect on
operational efficiency, portfolio composition and management, while it has had a negative effect on the capital and credit risks, as measured according to ROA, while according to ROE, positive influence is exerted on composition of the capital portfolio and negative - on operational efficiency and credit risk on the profitability indicators of the Latvian commercial banks. (Erina, Jana; Lace, Natalja et al, 2013)

Nagamani and Willaths (2015) explained that the banking sector is considered the back bone of every economy. The assessment of the financial position of banks is vital because these conditions determines the health of the economy.

Trivedi et al (2015) found that the financial performance of banks has become a matter of concern for the external and internal users of financial statements. For analyzing the financial performance of firms, the financial reports and statements acts as an indicator to ascertain the stability of a business. The matters related to measuring the bank’s performance are complicated and critical because of the diversified role played by banks in the economy.

Other determinants on ROA and ROE

Testing 80 countries for the period 1988-1995, Demirguc-Kunt and Huizinga (1999) concluded that both capital adequacy and foreign ownership have positively affected ROA. Capital adequacy ratio has positively affected ROE for period 1992-1998 in Italy, Denmark, Germany, England, France and Spain banking sectors (Goddard et al., 2004a).

Kaya (2002) also found that capital ratio has positively affected ROA and negatively affected ROE. In addition, Abreu and Mendes (2002) examined banks of Spain, France, Portugal and Germany and for the period 1986-1999 and concluded that there was a positive influence of capital ratios on both ROA and ROE. Athanasoglou et al. (2008) found a positive and significant influence of capital on assets ratio on profitability in Greek banks for the period 1985-2001. This influence was only half of the influence that was found in Australian, North American and European banks (Bourke, 1989) and in European banking industry (Molyneux & Thornton, 1992). In Turkish banking sector, capital ratio has a positive influence on ROA and ROE in the period 2002-2007 (Sayilgan & Yildirim, 2009). Sufian (2011) analyzed the Korean banking profitability in terms of ROA and ROE over the period 1992-2003 and he found that capital ratio was positively and significantly related to profitability.

Examining the performance of 13 European countries’ banks, Staikouras and Wood (2003) found that banks could be relatively more profitable with greater levels of equity. Capital strength has been found to be the main determinant of profitability measured by ROA in the sample of 15 EU countries’ commercial domestic and foreign banks for period 1995-2001 (Pasiouras & Kosmidou, 2007). Regarding Malaysian banks profitability and for the period 1999-2007, Sufian and Habibullah (2010) found that banks capital ratio has significantly positive relation with their profitability Dawood (2014) examined the impact of capital adequacy (measured by total equity/total assets) on the profitability (ROA) of 23 commercial banks in Pakistan for the period 2009-2012. He found that the capital adequacy has significant positive impact on ROA. Berger (1995) concluded that ROE of US banks has been positively affected by capital adequacy ratio in 1983-1989 and negatively in 1989-1992. Berger explained his results by that the association of capital adequacy ratio with profitability has been affected by the specific circumstances at the examining time. He argued that when banks financial situation is perceived as risky, capital adequacy ratio will positively affect profitability and in normal situations, it will negatively affect profitability due to alternative capital cost. The main problem rose regarding this result is how to limit the optimal level for the capital adequacy ratio.

Analysis of findings

Overview

The asset composition of these three (3) commercial banks asset base aggregate to 71 Percent of the total commercial bank’s assets in Guyana. The years examined are from 2010 to 2017 and the primary area examined is Earnings and Profitability. These commercial banks are;

Table 1.

RBL’s ROA was relatively stable around 0.40-0.50% benchmarked within years 2010-2014. In year 2015 the bank recorded its highest level at 1.71%. However, for years 2016 and 2017 trends decline. This is an indication that the bank is not making sufficient returns from its asset’s investments. This decline can be correlated to a number of factors such as relatively fixed expense, competitive interest rate pressures, shrieking revenue margins, etc. On the other hand, its ROE was exceptional in year 2015 at 19.75% and decline significantly over the last two years 2016 and 2017. The bank net interest income / operating income has an average of 66% with again 2015 been the better year for the bank. This can be viewed that the bank is striving to achieve continuous interest income and with over 66% on its income generated from lending activities. Further, to discussion its other income has be averaging at 25.79%. This highlights that the bank is making a quarter of its income from FX revenues, fees, commission etc. and these types of revenues do provide leverage to the bank’s overall profitability line. One must be caution that exceptional level of fee or charges may be a deterrent of doing business with an entity. The banks operating expenses to operating income has increase from 51.04% in 2010 to 64.84 % at the end of 2017. This can suggest that the bank has a high level of operating expenses such as the maintenance of buildings, staff cost and administrative expenses. Notably having operating expenses at 64.84% of dollar earned is not a preferably leverage but rather one which now requires prudent expense margin in the light of declining revenue margins.
The Guyana Bank for Trade and Industry Limited (GBTI) ROA has been fluctuating over the years 2010 to 2017 with its highest level recorded in 2013 at 1.76% and lowest in 2017 at 0.40%. Further notably the banks ROA is having declined year over years between years 2015 to 2017 and this trend is an indicator that the banks’ revenue line is shrieking Hence, its ROE is also reflecting similar trajectories with its ROE moving from year 2015 from 12.53% to 2.62 % at the end of 2017. Further, the bank’s net interest income to operating income has been stable with an average of 64.74%. This can be attributed to increase in advances and loans portfolio coupled with a decent average interest rate spread against their marginal cost of funds which contributed to the increase interest earnings from 2013 to 2017. Additionally, the bank’s non-interest income has been steadily increasing from 2010 to 2014 until fall offs in 2015 and 2016. However, in 2017 the percentage earned on non-interest revenue moved favorable from 18.94% in 2015 to 23.09% in 2017. It suggests that the bank is maintaining high levels of service charges/ commission and on the other hand striving to rebound in market share on the FX trading market. On expense management inclusive of its non-performing portfolio provisioning, the banks expenses are continuously increasing from 48.93 % in 2012 to 71.77% in 2017. This is not a favorable trend for assets quality and revenue line and doesn’t auger well for long term sustainability of the bank. In fact, when measured separately the banks revenue line is decline whilst it’s operating expenses is growing at a faster rate that its income.

Table 2.

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<th>Year</th>
<th>Return on Assets</th>
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<th>Net Interest Income/operating income</th>
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The Bank of Nova Scotia has been achieving a consistent level of return of its assets. Its average over the last eight years 2010-2017 has been recorded at 1.31%. This is also reflective in the banks ROE which has been averaging around 8.62% over these last eight years. For the bank its highest level of ROA was recorded in 2013 and 2015 at 2.46% whilst its highest level of ROE was recorded in 2013 (17.69%) and 2015 (12.84%). Most recently in 2017 both its ROA and ROE has been on the decline, a trend that can be associated as systematic to the Guyana’s banking industry. BNS Guyana interest income has been increasing over the years which is an indication that focus is on asset growth. Also, its non-interest income has increased from 8.26% in 2010 to an average of 29.11% over the last eight years. As mentioned previously this can be attributed to increasing market share an earnings of FX market coupled with fees and commissions earned from different services offered. Also, the bank is seeking to structurally manage its operating expenses as evident a reduction from 79.92% in 2010 to 39.27% in 2017 when compared to its operating income. Also, to note the Bank of Nova Scotia has the least number of branches as compared to as compared to RBL and GBTI. RBL has an estimated 11 branches, GBTI 13 and BNS 5. This can impact expense and revenue lines.

**Industry average**

![Comparison 2010-17 RBL, GBTI & BNS vs. Industry(%)](image_url)

The Bank of Nova Scotia has the highest level at 1.31% when compared to industry average at 0.97% followed by GBTI (0.84%) and RBL (0.69%). On the other hand, BNS also has the highest level in ROE at 8.62% when compared to an industry average of 6.96%. GBTI at 7.55% and RBL at 7.93%. RBL has the highest level of income from its interest earnings (65.64%) against a market average of 62.75% followed with GBTI (64.74%) and BNS Guyana (58.65%). This is largely appropriated to each banks level of advances and loans portfolio. RBL has loan portfolio 58% larger than GBTI and 116% larger than BNS Guyana. Hence the revenue earned on interest income should assuredly be higher. Further, BNS Guyana is ranking the highest on non-interest income at 29.11 % when compared to market average at 22.69% followed with RBL (25.79%) and GBTI (20.29%). This can be attributed to higher FX market share and revenues. On the operating expenses to operating income BNS Guyana ranks fairly well at 50.75% when compared to market average of 54.57%, followed with RBL (57.34%) and GBTI (58.08%). This trickles down to prudent operational and expense management. BNS Guyana is yielding results from a positive trend of migrating customers to digital channels and platforms, hence managing operational cost and risk and reducing the need for structural branches networks. Further, RBL and GBTI has the
most branch network in the country and hence this may be an operation cost burden especially where profit margins are becoming thin. Another contributing factor to the GBTI profitability weakens as a result on the back of increase NPLs. (See chart (5) below on increase trends from 5% in 2010 to 30% in 2016).

**Table 5.**

![Non Performing levels from 2010/17](chart)

**Conclusion**

In recent decades, the banks have undergone extensive transformations brought about by the evolution of the contemporary economy, the behavior of recipients of banking services, the policies pursued by Governments over the banking sector and the progress of modern technology. Bank profits are essential purpose of the establishment and operation of a bank. Appears as the difference between revenues and expenses.

Commercial banks in Guyana particularly RBL and GBTI have to strengthen their oversight and management of structural cost associated within their business line more so especially when there is no real credit growth within the Guyanese banking sector coupled with high levels of increased delinquency and restrictions by regulators on foreign exchange spreads. Hence in the absence of real credit growth banks are competing for current customers by offering the best interest rate, products and service. This can further compress one’s revenue line. Therefore, the primary strategy would be to maintain sustainable levels of revenue and prudently manage expenses in line with business activity requirements. The way forward will be digital transformation which can provide fix to structural issues (Possibility of reduction in staffing/branches). More so a narrow focus on core adjacencies ignores the broader role a bank can play on behalf of its customers. By moving into ecosystems beyond the traditional core, banks are able to tap their existing client base and operational capabilities, strengthen engagement, and capture data that will provide a more complete view of customers’ needs. For example: Idea bank and ING, have extended into banking adjacencies by providing services like accounts-receivable management, factoring, accounting, and cash-flow analysis to small and medium enterprise (SME) customers. The fintech start-up Moven built a pioneering mobile money-management app and is now partnering with financial institutions to provide this service to retail customers.

According to the American Banker research banking is transforming by adaptation to artificial intelligence and machine learning, artificial intelligence and open banking concept, Cybersecurity and biometrics and commercial banking innovation. This requires capital expenditure at initial stages but over the long run however benefits can compensate. BNS Guyana may be at an advantage of been an international bank and can lean on support from its head office whereas the local banks in Guyana will have to source funding. Again, they can providing that they plan for these types of capital expenses and manage cuts in other areas to support capital cost. Further most of the banking sector transactions will be
migrating to an electronic funds transfer system and an e clearings system. A more incentive for RBL and GBTI to commence the introductory thought process to digital transformation bank. Simple put; its best practices on lean management and leading with inner agility.

References;

[9] Main library: The Bank of Nova Scotia - 44 King Street West, 14th floor, Toronto, Ontario, Canada M5H 1H1. Transit 92692 URL: http://library.bns email: library@scotiabank.com
Corporate Governance and Service Delivery in Healthcare. A Case of Gaborone Private Hospital

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Abstract

This study was aimed at establishing the role of corporate governance and service delivery in healthcare in Botswana by looking at the case of Gaborone Private Hospital. The study was guided by the following questions: What are the effects of corporate planning in clinical governance in healthcare service delivery? What is the role of corporate social responsibility in HIV/AIDS mitigation in healthcare service delivery? What are the effects of corporate communication in clinical governance and service delivery in healthcare? The study used a purposive sampling technique as it was important to identify people with a certain kind of knowledge that would give the required information. The data collecting tool was a closed-ended questionnaire, and this data was analyzed thematically using Statistical Package for Social Scientists (SPSS) version 16.0 where both descriptive statistics and Analysis of Variance (ANOVA – One Way) were used. The P-value was parked at .005 to define level of significance; the results from ANOVA revealed in general that all themes were not statistically significant meaning that corporate governance in health service is heavily affected by service delivery approaches;

Keywords: Service delivery; HIV/AIDS; Botswana; Gaborone Private Hospital.

Introduction

Corporate governance is a system of management which defines the relationship between the top management, the board of directors and the shareholders. It defines the power relationships between the keys stakeholders as well as the power and control mechanism meant to achieve desired outcome (Youssef, 1991). Corporate governance cuts across the spectrum as it applies to government enterprises, family business or any other venture. Implementing corporate governance principles can enhance performance, streamline the organizational objectives as well as reduce or eliminate wastage, reduce corruption, enhance business confidence, improve the image of the business entity, among others (Youssef, 1991). Corporate governance is based on certain principles which are: responsibility, accountability, fairness and transparency and these principles are universal across the environments (Magdi, Iskander and Chamlou, 2000).

Corporate governance involves a variety of stakeholders that should command influences in management and operation of programs and include: government agencies and authorities, stock exchanges, management (including the board of directors and its chair, the Chief Executive Officer or the equivalent, other executives and line management, shareholders and auditors. Other influential stakeholders may include lenders, suppliers, employees, creditors, customers and the community at large. (Raut, web). This definition rimes well with the stakeholders’ theory in corporate governance.

Corporate governance can be traced back to centuries after culmination of blunder, systematic failure and crises dating back to 1700s in South Sea Bubble. During the time 1970, England experienced crises in the banking sector that resulted in the development of new way of thinking, new laws and new practices to harmonize the management challenges at the time. In 1929, USA also experienced crushes in the stock market; savings and loan debacle in the 1980s. There was also a failure by the Maxwell Group raid on the pension fund of the Mirror Group of newspapers; there was the collapse of the Bank of Credit and Commerce International and Barrings Bank (The World Bank, 2000). During the 1980s, some member states of the Organization for Economic Co-operation and Development (OECD) countries notably Switzerland and Australia encountered challenges as evidenced by scandals in the management of corporations such as exorbitant salaries to the top brass
of management; poor recruitment policies based on favoritism, lack of strategic planning heightened the ante that eventually saw declining performances within business enterprises (L’huillier, 2014).

Then about two decades ago, corporate governance had been adopted as a new concept of the post-Cold war economic architecture. In 1998, Asia experienced a financial crisis and defaulted on Russian debt so the leaders of the Great seven (G7) nations decided to take on a new perspective on management spheres so as to tackle the existential problem at that time such that by the mid-1999, the Organization for Economic Cooperation and Development (OECD) came up with new principles to propel development to greater height. At the time, even International Finance Institutions agreed that the only to achieve growth was to change the management practices, introduce new regulations and culture hence corporate governance (Berg, 2003). In Ireland, the enactment of government codes and reforms such as The Cadbury Report and Higgs Report resulted into its emergency as a vibrant concept that could alter the basic management paradigm to fit into better management practice. The evolution continued when the World Bank received and appreciated the concept as a tool that could result into some form of sustainable development.

General and specific objectives

The general objective of the study is to establish the role of corporate governance and service delivery in healthcare.

The objectives were:

i. Examine effects of corporate planning in clinical governance and service delivery in healthcare.

ii. Assess the role of corporate social responsibility in HIV/AIDS mitigation in service delivery in healthcare.

iii. Examine the effect of corporate identity and clinical communication in service delivery in healthcare.

Literature review

The study was carried under the concept better health delivery service in the health care yields positive results on corporate governance being undertaken by an organization. The conceptual framework below depicts that if an organization is having well organized service delivery channels in health care services, the society and or the customers will acknowledge the company or organization’s efforts in corporate governance. In the case of an organization failing to deliver service in a positive manner to the people, it consequently has a bad impact on the outcome of the company’s efforts in corporate social responsibility. The society will fail to recognize or appreciate the corporate social responsibilities that an organization does when they even mess up in only one of the pivotal deliver services approaches as indicated by figure 2.1 below.
Figure. 2.1. Conceptual framework of the study

Source: Author, 2018

**Literature review according to objectives**

**Corporate planning in clinical governance and service delivery in healthcare**

Corporate planning forms a fabric of corporate governance. It entails having strategic plans aimed at ensuring best practices are adopted in the provision of services to the communities. Ironically, the healthcare system has to implement systematic programs that meet standards of a competitive healthcare system.

(Northern Devon Healthcare NHS Trust, 2010:4) defines clinical governance as ‘‘a framework through which NHS organizations are accountable for clinical performance, underpinning quality and continuous improvement. It exists to safeguard high standards of care, and provide an environment in which excellence can flourish.’’ Clinical governance measures the way in which organizations provide accountability to the stakeholders for the services they are providing. The basic principle is to ensure quality service is available at all people who will need and organizations should endeavor to continuously improve their services. The elements of clinical governance require that those in the leadership positions undertake initiatives to inculcate a culture where everyone is accountable to their actions, innovation and upgrading the system as the only way of realizing an effective and efficient delivery of services (Kilby, 2010-2013; Staniland, 2007). Quality assurance, customer improvement, performance management, continuous planning research and development, internal and external communications are some of the areas that have to be undertaken by the organizations when offering services to the communities. It ensures that the roles and responsibilities of the service providers are clear and manifest itself in the quality of healthcare the communities are receiving. Ideally, the overall responsibility to manage healthcare programs falls on the top management/chief executive who is the overseer of programs, monitors implementation at different levels to ensure they conform to the industry standards (Health Direct- Australia). For quality to prevail in the healthcare system, there is need for proper planning and coordination of activities, yet some managers are reluctant to plan. Lack of planning can distort the smooth arrangements that are aimed at guaranteeing the basic standards in the healthcare system. This is something of interest to discover in the healthcare organizations.
Corporate social responsibility in HIV/AIDS mitigation in service delivery in healthcare

Corporate social responsibility, also sometimes called corporate responsibility, corporate ethics, corporate, corporate governance, corporate accountability, corporate citizenship as a concept has an elusive definition. Writers, academicians, etc., have different perspectives of understanding the meaning of the concept. However, generally, it can be defined as the undertakings that are pursued by the companies with the aim of realizing their intended goals as well as ensuring their activities have a positive impact on the environment. It covers aspects such as ethics, compliance with the law, and adherence to ethics; generally, it’s just not about profit accumulation. The idea is businesses survive because of the people; hence the logical reasoning is that the people that make corporations survive and/or thrive should give back to the population or the people around (Cochran, 2007).

Corporate social responsibility as a concept has a history that dates back to the mid-20th century, especially from the mid 1950’s and has evolved until today and it’s important to note that some form of business concern for the society had existed dating back to the late 1800s. Eventually, corporations had to adapt to the business paradigms of the time as they sought for better ways of ensuring sustainability of resources that would cater for the current and future generations (Carrol, 2008). Staff welfare was also a key issue of concern that time because the workers’ wellbeing had to be addressed. It became a central focus issue during the industrial revolution when business owners were looking for better ways of improving productivity. Employers realized that in order to improve productivity, it required providing good working conditions to the workers, training them, better remunerations, etc.

There was a concern that the welfare of such vulnerable people was undermined and hence required proactive measures to deal with the situation that would later lead into provision of bath house, hospital clinics. Initially thought as philanthropic and a concept left to the big corporations alone, during the turn of the 20th century, many companies including small ones adopted the concept and its application covers a wide range of areas such reduction in maternal health, reduction in mortality rate, contagious diseases, HIV/AIDS mitigation and management, environmental degradation, waste management (Cochran, 2007). In other words, it’s a global phenomenon and its impact is far reaching.

The health rights organizations are up in arms campaigning for the consumer protection through formulation and strengthening of policies by local, national and international bodies. As a result, today most or almost all corporations have legitimized their operations to meet the standards of the regulating authorities (Crane, Matten, Laura and Spence, 2012). Organizations including the ones in the health sector should check their actions to ensure are in conformity with standards in a particular community. The concept has gained popularity in the sense that business leaders have taken it upon themselves to implement strategic plans geared towards the adoption of better operation strategies for the welfare of the workers and the society at large. Philanthropy is a word very much associated with CSR in the current era. Philanthropy has existed right from the early 1900s through institutions such as the Rockefeller foundation, builders of churches, endowers of educational institutions (Carrol, 2008).

Having its roots during the time of the industrial revolution the concept gained currency globally including in countries such India and Africa. From the early 2000, corporations have tended to make corporate social responsibility a component of strategic planning, strategic management, corporate governance and corporate image. The concept CSR has a large body of literature writings in USA because that is where it’s believed it has its roots. However, Europe has also expanded in its understanding and involvements on CSR through conferences, research and other writings. This implies the concept has gained popularity across Europe. Not to be left behind, Asia and Africa joined the bandwagon by putting in place institutionalized policies and practices that would ensure successful utilization of the concept (Carrol, 2008).

In India, Tata Company has been known to provide charity donations to the communities for over hundred years. This is a sign that the new trend is just a climax of the old one as it’s now incorporated in the company’s strategic plans. (Crane, Matten and Spence, 2012). Looking at the trends in India, CSR spread around from the turn of the 21 centuries in the form of initiatives that are aimed at improving living standards such as in health-related areas, education, sustainability development.
Most of the population in India leaves in the rural areas and that is an area which lags in terms of development such as poor schools, poor healthcare system, poor infrastructure and many other ills. It’s because of this realization especially from governments’ inability to provide service led the private sector to come and contribute towards the course of the underprivileged (P. Selvam, 2016). Considerable gains have been made since the concept application across the industry became widespread. Societal issues such as provision of clean drinking water, containment of contagious diseases, reduction in mortality diseases, should form part of what organizations value about humanity.

Africa is not far either, as the organization of the civil society is much stronger than before. A lot of awareness and information across the continent has made it possible for people to demand that the corporations should be mindful of their operations especially as pertains to health. It’s also a moral kind of responsibility to give back to the community as well as taking care of the welfare of the people. Taking the case of Uganda, for instance, according to (Mukhaye, 2018), Kyambogo University rolls out free counseling services to neighbors after a realization that most of the students leave around the area hence whatever ills are being committed by the community members do affect the students. The community is infested a lot of drug addicts, child labor, smoking, prostitution, cancer related deaths, HIV/AIDS among others. In the words of the vice chancellor Kyambogo University, “Majority of people surrounding our university are young and drug addicts, do betting and also have a common problem of high HIV prevalence,” Prof Katungunka said while launching the open day for guidance and counseling at the university main campus on Wednesday.

“These problems are also among our students, so we think that when we roll out the counseling services to the neighboring community and advise them to avoid such problems, we shall also address the same among our students,” he added. Prof Katungunka said the guidance and counseling unit has already earmarked the necessary resources for the program.

Concurring with (Mukhaye, 2018), the Netherlands government is in partnership with the Ugandan government trade as a way of ensuring effective collaboration and sharing of goods and services and promotion of expertise. Dutch companies are expected to do business in a fair and honest manner so the recipients realize value for money. It’s believed that the promotion of trade between the two communities will create a bond and long-term cooperation. By not cheating customers, by not selling expired/substandard goods, not charging high prices, the businesses are applying the societal aspects are observed as it will likely ensure proper wellbeing of the people (Royal Netherlands Embassy, 2016).

**Corporate identity and communication in service delivery in healthcare**

Corporate identity as a concept in management evolved around the 1970s and its impact has been felt until the present day. Corporate identity is a set of meanings by which an organization can be distinguished through its culture, communication, values, norms, etc. It also involves other aspects such as performance, the branding, and the structure that can be instrumental in its pursuit for success (Rutitisa, Batragab, Muizniecеб and Ritovsa, 2012). It means all ways in which the organization presents itself to the world, to the stakeholders and the way the stakeholders view it. This sounds a good attribute for an organization offering service to the community and having good image which is associated with having more customers/ patients and in turn more revenue coming in. When an organization builds a good image, it’s believed to have the ability to attract commitment from the stakeholders towards its cause. Corporate identity helps communicate the programs the organization is pursuing or need to be pursued, in other words, it’s a marketing tool that can help especially in competitive environments. Carter (1982, p. 5 as referenced by Melewar, Bassett and Simoëes, web) defined the concept as “the logo or brand image of a company and all other visual manifestations of the identity of a company”.

Corporate identity is a powerful tool when it comes to healthcare because people associate themselves with brands that they trust and are reliable; offer a high level of effectiveness. An organization should be in position to deliver on its promises and it’s the method and the way services are delivered that can bring in more stakeholders, patients to seek services. This will send a powerful message to both internal and external stakeholders about the commitment that the organization has
regarding service delivery. Organizations that undertake trainings, regular surveys about the perception of communities about its service delivery stand a chance to remain relevant to the changing needs of the population. Credibility is an important issue because it avails the organization the platform to influence policy at the local, national regional and international level (World Health Organization, Communication for Health). This gives a picture as to what is expected from organizations. But the picture may not be what is outside there as organizations are grappling with challenges such as mergers, deregulations, acquisitions, scope of activities that can undermine operations. It’s pertinent to undertake studies to establish what actual prevails in organizations such as in the healthcare arena.

A strong corporate identity communicates good values about the organization as a mechanism of its contribution to the society including the workers. It sends a message to the employees about the commitment the employer has towards their cause and hence motivation to deliver more. Corporate identity is a marketing tool but the messages should be communication and information based as it’s not ethical for hospitals to advertise their services to gain advantage against others. Managers should be seen as good communicators of the vision, values of the organizations. They need to address the aspects that cause change and reassure the stakeholders of their moral responsibilities so the stakeholders identify with them (Melewar et al. web). These are some of the essential undertakings the management has to take but it’s often not the case because some organizations are interested at profit making at the expense of condition of workers and stakeholders. Organizations are believed to have challenges at various levels but the depth of some of these is something that is not clear. The kind of branding as it pertains to communication and how it translates to service delivery is something of importance as it can guide the way forward in-service delivery.

(Balmer and Gray, 2000 p.256), assert that “Conventional methods of redressing identity problems are becoming progressively less effective because, in our opinion, the traditional focus has viewed corporate identity and corporate communications as functional rather than as strategic. We suggest a much-broadened view that looks at corporate communications as a three-part system process primary, secondary, and tertiary. In many companies these three are out of balance. Primary communication should present a positive image of the company and set the stage for a strong reputation. Secondary communication should be designed to support and reinforce primary communication. Tertiary communications should be positive and result in a superior reputation if the other two stages of corporate communication are properly conceived. The authors postulate that senior managers who implement this can invest their organization with a competitive advantage”.

Methodology

Study area

The study area is Gaborone Private Hospital. Gaborone private hospital is located in the south-east district of Botswana. It’s a 132-bed hospital delivering healthcare services to community around Gaborone with total number of about 200 employees.

Study population

The study population was at Gaborone Private Hospital. There are two main private hospitals in Gaborone namely Gaborone Private Hospital popularly known as GPH and Bokamoso Private Hospital and together they are employing about five hundred workers. Gaborone Private Hospital (GPH) alone has about 200 workers. The management department makes up 20% of the total number of employees in the two hospitals.

Study duration

The research process started in August, 2018 until November 2018.

Sampling method

A purposive sampling technique was used in the study because it was important to identify people with a certain kind of knowledge that would give the required information. The researcher gave
questionnaires to the management secretary who later on distributed them to the various members of staff.

**Sample size**

The sampling size of 15% of the total population was used. According to Gay (2000), a sample of 10% of accessible population is enough for a descriptive study. Of the total number of 200 workers, 30 participants took part in the study representing above the minimum of the recommended number of 20 according to Gay. This would compare to 30 participants if the study had taken place in Bokamoso Hospital which has a population of about 300 employees. This sample size is representative enough to give a clear picture of the corporate governance aspects in the private hospitals in Gaborone.

**Study tools to be used**

The study tools involved self-administered questionnaires which was closed ended type.

**Research instruments**

A cross-sectional study involving self-administered questionnaire interview was used to collect data.

**Pretesting**

Pre-testing research instrument was done to determine the validity of the questions. It helps to ascertain the relevance of the questions and as to whether they enlist the desired kind of response. The researcher then modified the research questions for easy understanding and response. It’s one way of detecting if problems to the design of questionnaires exist or not so modifications can be made (Hilton, 2015). The pre-testing was done with twelve participants in a focus group discussion; their views were solicited to help modify the questions, six male and six female lecturers (N=12) in Gaborone University College of Law and Professional studies were recruited for the exercise. Participants ranged between the ages 27-40. The participants were asked questions on corporate governance and service delivery in healthcare. The responses helped improve the questionnaire.

**Data collection procedures**

The researcher sought permission from the relevant authorities in the hospital. There after submitted the questionnaires to the secretary management who later on circulated them to the respondents.

**Data analysis**

Data analysis is the process of editing and reducing accumulated data to a manageable size, developing summaries, looking for the patterns and applying statistical techniques (BOCODOL 2008 p. 223). Data from the structured questionnaires was coded and captured in an electronic database using software program for social scientists (SPSS) version 16.0. The researcher used SPSS 16.0 to perform descriptive statistics. Descriptive frequencies were presented through tables and graphs. The responses given to each question were expressed as percentages of the total sample. Again, a clear overview was given through one way-Analysis of Variance (ANOVA), which was performed at 95% confidence level and using least significant difference (LSD) test with probability value of .005.

**Ethical consideration**

Ethical considerations in research are critical. Ethics are norms or standards for conduct that distinguish between right and wrong. They help to determine the difference between acceptable and unacceptable behaviours. Ethical standards prevent against the fabrication or falsifying of data and therefore, promote the pursuit of knowledge and truth which is the primary goal of research. (https://cirt.gcu.edu).

Ethical considerations can be specified as one of the most important parts of the research, dissertations may be doomed to failure if this part is missing and according to Bryman & Bell (2007) the following points represent the most principles related to ethical considerations in dissertations:

- Research participants should not be subjected to harm in any ways whatsoever
• Full consent should be obtained from participants prior to the study
• The protection of the privacy of research participants has to be ensured
• Adequate level of confidentiality of research data should be ensured

All these ethical considerations were taken into account during data collection, data analysis as well as post study period.

Data analysis, discussion, interpretation and data presentation

Main findings

The qualitative and quantitative findings are presented under the subsections of the research objectives.

Research objective 1: Examine effects of corporate planning in clinical governance and service delivery in healthcare.
Research objective 2: Assess the role of corporate social responsibility in HIV/AIDS mitigation in service delivery in healthcare.
Environmental sustainability policy is active

The hospital is tax compliant in all its tax obligations

There is a budget to take care of the needy who cannot pay all hospital bills
Research objective 3: Examine the effect of corporate identity and clinical communication in service delivery in healthcare

There is no discrimination in provision of healthcare services

The hospital runs regular informative healthcare programs

A communication department exists to handle all public relations matters
Data analysis and discussion for objective 1: examining effects of corporate planning in clinical governance and service delivery in health care

The results on whether clinical department at GPH is involved in corporate planning indicated that 46.67% and 26.67% agree and strongly agree which means 73% of the respondents indicated that there is clinical department involvement at GPH in corporate planning. Secondly, 66.7% of the respondents indicated that the clinical services at GPH have sufficient budget. Thirdly, 50% of the respondents had problems in commenting about bureaucracy at GPH in the realization of funds in clinical services, with only 33.3% of the respondents agreeing that there is less bureaucracy at GPH in the realization of funds in clinical services. Fourthly, 70% of the respondents agreed that clinical officers are represented in board of governor’s meetings. Lastly, 50% of the respondents agreed with the point that the board of management reviews ratio and clinicians to patients regularly, however, 30% of the respondents were very skeptical in answering this.

Data analysis and discussion for objective 2: assessing the role of corporate social responsibility in HIV/AIDS mitigation in service delivery in healthcare

The results under this theme firstly showed that the GPH has been in the forefront of HIV mitigation, 76.6% of the respondents indicated that the hospital has been in the forefront of HIV mitigation. Again, 66% of the respondents agreed with the point that the hospital’s environmental sustainability policy is active even though 23.3% of the respondents were very skeptical about the environmental sustainability policy’s activeness. Thirdly, 53.3% of the respondents agreed with the
point that the hospital is tax compliant in all its tax obligations, however, 36.67% of the respondents somewhat agreed with this point. Fourthly, 66.66% of the respondents agreed that there is a budget to take care of the needy that cannot pay for all the hospital bills. On this point 26.67% of the respondents somewhat agreed to the point that there is a budget to take care of the needy who cannot pay for all the hospital bills. Lastly, under this objective, 70% of the respondents agreed that there is no discrimination in provision of healthcare services. Interestingly, 23.33% of the respondents openly disagreed with this point that there is no discrimination in provision of healthcare services.

**Data analysis and discussion for objective 3: Examining the effect of corporate identity and clinical communication in service delivery in healthcare**

According to the findings under this theme, 80% of the respondents agreed with the point that the way the hospital has branded itself have made many potential customers to identify with it. Secondly, 57% of the respondents indicated that the hospital runs regular informative healthcare programs; however, 37% of the respondents were very skeptical on the point that the hospital runs regular informative healthcare programs. Thirdly, 70% of the respondents indicated that a communication department exists to handle all public relations matters though 23% of the people were showing that the communication department does not clearly handle all the public relations well. Fourthly, 97% of the respondents indicated that there is a toll-free phone service for emergency at the hospital. Lastly, 83% of the respondents indicated that there are sufficient labels to guide customers to the direction of hospital.

**Conclusion**

Looking at the findings of this study, the effects of corporate planning in clinical governance and service delivery in health care is addressed well though not to the maximum as the above results indicate that bureaucracy in healthcare in the realization of funds in clinical services is a problem. Bureaucracy in healthcare in the realization of funds in clinical services is very critical and essential in achieving a strong impact of corporate planning in clinical governance and service delivery in health care, bureaucracy in healthcare in the realization of funds in clinical services need to be taken seriously too. Again, on the point that the board of management reviews ratio and clinicians to patients regularly, it should be taken seriously in health services for realization of full effects of corporate planning in clinical governance and service delivery in health care, because without the board of management reviews ratio and clinicians to patients being done regularly, it is difficult to acknowledge the effects of corporate planning in clinical governance and service delivery in health care.

Secondly, the study reveals that the role of corporate social responsibility in HIV/AIDS mitigation in service delivery in healthcare is poorly done as shown by the five indicators. Out of the five indicators 3 indicators showed positive results, however, the percentage of respondents who disagreed with the indicators were high that pause a big question on the way the role of corporate social responsibility in HIV/AIDS mitigation in service delivery in healthcare is being handled. There is a need to critically look into the role of corporate social responsibility in HIV/AIDS mitigation in service delivery in healthcare so that all the five indicators listed should be taken care of. For instance, 23.33% of the respondents openly disagreed with the point that there is no discrimination in provision of healthcare services; there is no way the role of corporate social responsibility in HIV/AIDS mitigation in service delivery in healthcare can be achieved if discrimination still exists.

Lastly, this recent study has shown that the examination of the effect of corporate identity and clinical communication in service delivery in healthcare has shown that not all the indicators are well satisfied. However, the results revealed that over 90% of the indicators of the effect of corporate identity and clinical communication in service delivery in healthcare have shown positive direction. This means that the effect of corporate identity and clinical communication in service delivery in healthcare is well observed at the hospital.

**Recommendations**

The recommendations are made below following the study findings:
Recommendations for Objective 1
i. Bureaucracy in healthcare services in the realization of funds in clinical services must be highly observed as this gives confidence to the people
ii. The board of management in health care services must review ratio and clinicians to patients regularly

Recommendations for Objective 2
i. The environmental sustainability policy in healthcare service must be very active
ii. Hospitals must be tax compliant in all its tax obligations
iii. There must be no discrimination in provision of healthcare services

Recommendations for Objective 3
i. The hospital must run regular informative healthcare programs seriously
ii. The communication department must be functional and well handled in all the public relations

Recommendations for further research

There is a need to carry out further research on this topic where the sample size and population and or study area must be increased.

References

Patients’ Satisfaction and Its Determinants in Outpatient and Inpatient Departments of Tertiary Hospitals in Ghana: A Literature Review

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Abstract

Healthcare systems and particularly tertiary hospitals are the centre of patient care delivery and represent an organizational hub of the bigger healthcare provider network. One of the most important objectives of any health system is patient satisfaction, yet there is considerable difficulty in the measurement of satisfaction and gauge the responsiveness of healthcare systems. Patient satisfaction is influenced not only by clinical factors but also non-clinical factors and outcomes which are usually ignored by healthcare providers and administrators in developing countries. Extensive research revealed that, there have not been studies that have looked at how patient satisfaction is influenced differentially by clinical factors (core services) and non-clinical factors (health system) and outcomes in Ghana. Also, the objects of the studies carried out in Ghana have been outpatients’ service experience and no study has focused on adding inpatients’ service experience in measuring the level of service quality delivered by tertiary hospitals. The purpose of this article is to propose that both clinical factors and non-clinical factors influence the satisfaction of patients who utilize the outpatient and inpatient departments of tertiary hospitals in Ghana hence healthcare providers and administrators should consider not only clinical factors as determinants of patient satisfaction but also non-clinical factors.

Keywords: Satisfaction, Determinants, Inpatient, Outpatient, clinical, non-clinical.

Introduction

One of the most important objectives of any health system is patient satisfaction. According to Desta et al., (2018) the perspective of the patient’s view is becoming more integrated in the process of improving healthcare systems. Patient satisfaction is the health care recipient’s reaction to salient aspects of the context, process, and result of their service experiences. It consists of a cognitively based evaluation or grading of directly-received services including structure, process, and outcome of services and an affectively based response to the structure, process, and outcome of services.

In general, patient satisfaction has been defined as an evaluation that reflects the perceived differences between expectations of the patient to what is actually received during the process of care. It is both a service quality indicator and a quality component. Despite its importance, there is considerable difficulty in the measurement of patient satisfaction and gauge the responsiveness of health care systems. This is because patient satisfaction is influenced not only by clinical factors but also non-clinical factors and outcomes which are usually ignored by health care providers and administrators in developing countries (Sanjeeewa and Senevirathne, 2017). According to Baalbaki, et al., (2014) patient satisfaction is influenced by many factors which include: quality of clinical (core) services provided, availability of drugs, behaviour of doctors and other health care professionals, cost of services, physical comfort of patients at the hospital, emotional support given to patients, respect for patient preferences and level of hospital infrastructure. They noted that a mismatch of service expectations of patients and quality of health care service received leads to decreased satisfaction, therefore assessing the perspectives of patients gives them the voice which provides the important input to make public health services more responsive to patient needs and expectations.
In spite of all the commitment of the Ghana government, the Ghana Health Service and Donor agencies as well as other stakeholders to improve the level of quality of health care services in the country, there is still a strong perception of unsatisfactory services provided by health professionals in public health facilities in the areas of relationship with patients, care and treatment, consent and confidentiality of patients, access to basic information about their rights and sanitation of working environment, (MOH, 2007).

**Research gap**

Ghana’s Ministry of Health (MOH) has over the years concerned itself with quality of healthcare which yields patient satisfaction. However, pace of quality improvements has been slow and objectives have not been met. According to Ahenkan and Aduo-Adjei (2017) this is the result of inadequate priority given to improvement of healthcare quality. In lieu of this, there is the growing need to research into quality of health service delivery in the country especially with respect to patient satisfaction which is a key indicator of and integration of quality assurance in Ghana’s health care system and facilities. In Ghana many of the studies of health care quality have focused on service quality dimensions. Also studies conducted in public hospitals in Ghana have provided empirical evidence of inadequate level of quality of health care services both in terms of objective measures of patient opinions and that of health care providers (Ahenkan and Aduo-Adjei, 2017) In addition other studies have found that long waiting times, frequent shortage of medicines and poor attitudes of healthcare providers as contributing to poor quality services and consequently patient dissatisfaction with health care in Ghana (Essiam, 2013). Extensive research revealed that, there have not been studies that have looked at how patient satisfaction is influenced differentially by clinical factors (core services) and non-clinical (health system) factors and outcomes. Also, the objects of the studies carried out in Ghana have been outpatients’ service experience and no study has focused on adding inpatients service experience in measuring the level of service quality delivered by hospitals. (Essiam, 2013, Ahenkan and Aduo-Adjei, 2017).

According to Baalbaki, et al., (2008), there is increasing gap between patients’ systematic demands and hospital core performance and therefore, the need to understand patient needs in the hospital environment. They noted that patient satisfaction in healthcare is important for the sustained profitability of hospitals, increased efficiency and effectiveness as well as better treatment outcomes. While hospitals in Ghana are continuously improving their image and services, it is important to differentiate between core clinical services and non-core services. Baalbaki (2014) noted that although core services provided by hospitals are necessary for patient satisfaction, they do not solely determine it. Non-core health system factors such as customer services are also important. As a result, there exists conceptual gap as well as tangible need to differentiate patient health care system and core service assessments. To do this assessment research has shown that it is more reliable to rely on post patient discharge surveys both for outpatients and in patients rather than when patients are in the hospital. In view of this, the continuous monitoring and evaluation of views on the quality of healthcare is important for quality improvement commitments.

**Objective and research methodology**

The purpose of this article is to propose that both clinical factors and non-clinical factors influence the satisfaction of patients who utilize the outpatient and inpatient departments of tertiary hospitals in Ghana; hence healthcare providers and administrators when embarking on improvement to achieve quality healthcare should consider not only clinical factors as determinants of patient satisfaction but also non-clinical factors.

Literature reviewed in this paper was sourced from the general internet search engines, text books, health reports and peer reviewed journals.

**Limitations**

There are limitations to this review of literature. Research was limited to peer-reviewed journals (online), internet search engines, health reports and text books.
Literature review

Conceptual model

The conceptual model is based on the model that patient satisfaction in health care services is influenced by both core clinical services and non-core health delivery system. The satisfaction or dissatisfaction with the entire healthcare service encounter is a function of the sum of all experiences in relevant service category sets.

(Sanjeewa and Senevirathne, 2017)

Figure 1. Conceptual Framework

Outpatient department

Outpatient department (OPD) is the first point of contact of the hospital with patients and serves as the shop window to any healthcare service provided to the community. The care in the OPD is believed to indicate the quality of services of a hospital and is reflected by patients’ satisfaction with the services being provided.
There are two types of OP Services –
1. Centralized Outpatient Services: All services are provided in a compact area which includes all diagnostic and therapeutic facilities being provided in the same place.
2. Decentralized Outpatient Services: Services are provided in the respective departments.
3. According to Tabish (2011), the functions of the OPD include:
   4. Early diagnosis, curative, preventive & rehabilitative care on ambulatory basis
   5. Effective treatment on ambulatory basis
   6. Screening for admission to hospital
   7. Follow up care & care after discharge
   8. Promotion of health by health education
   9. Promotion of health through health education
   10. Training of medical / nursing students
   11. Keeping up to date records for future treatment, medical education, epidemiological and social research
   12. Rendering of preventive health care

**Inpatient department**

Inpatient care is the care of patients whose condition requires admission to a hospital. Progress in modern medicine and the advent of comprehensive out-patient clinics ensure that patients are only admitted to a hospital when they are extremely ill or have severe physical trauma. Patients enter inpatient care mainly from previous ambulatory care such as referral from a family doctor, or through emergency medicine departments. The patient formally becomes an "inpatient" at the writing of an admission note. Likewise, it is formally ended by writing a discharge note.

**Patient satisfaction**

There is no consensus between the literatures on how to define the concept of patient satisfaction in healthcare. In Donabedian (2005), quality measurement model, patient satisfaction is defined as patient-reported outcome measure while the structures and processes of care can be measured by patient-reported experiences. Many authors tend to have different perceptions of definitions of patient satisfaction. Jenkinson et al. (2003) and Ahmed et al. (2011) point out that patient satisfaction mostly appears to represent attitudes towards care or aspects of care. While Mohad et al. (2014) refers to patient satisfaction as patients’ emotions, feelings and their perception of delivered healthcare services.

On the other hand, other authors define patient satisfaction as a degree of congruency between patient expectations of ideal care and their perceptions of real care received. Patient satisfaction include a number of elements including: low cost strategy to improve safety and quality in hospital (Boulding, et al., 2011), patient perceptions against professional skill and communication attitude of personnel, service quality and patient trust (Ching-Sheng, Su-Yueh, Yi-Ting, 2013) or waiting time for appointments, office waits, emergency care, availability of hospitals and other resources. According to Zaslavsky et al. (2000) patient satisfaction is one of the most important indicators of health care quality and is increasingly being used to assess the performance of health care organizations. Patient satisfaction is the extent to which patients are happy with their healthcare, both inside and outside of the doctor’s office.

Quality of care form the patient’s perspective and patient satisfaction are two major multidimensional concepts that are used several times interchangeably. Quality of care has a subjective profile as it involves a cognitive evaluation process and an objective determinant which is ‘care’ as an outcome, a process or a structure measure. On the other hand, patient satisfaction tends to have an objective profile and determinant which is patient’s subjection. If we add the term ‘perceived’ to both terms (quality and satisfaction) we conclude to an opposite meaning result: perceived quality of care and perceived satisfaction become a totally subjective concept as they are based on patients’ own feelings. As a result, patient satisfaction represents the new phenomena or the new ‘paradigm’ in the health care sector, after a long period of research experimentation. It could be necessary to use the term ‘attributable’ satisfaction in
order to describe the extent of this phenomenon, as patient satisfaction is attributed to patient’s perceived value of several care dimensions.

**Healthcare and patient satisfaction**

The healthcare industry is now shifting toward patient-centred care models. The paradigm suggests that improving patient-centered care and improved patient satisfaction will lead to better health outcomes. This has had significant impact on the structure of healthcare and has led to changes in priorities, goals, and objectives of many healthcare organizations.

In the wake of this, patients are demanding a bigger claim in their healthcare, and expect a certain level of service from their providers and healthcare organizations. As a result, providers need to fully understand patient satisfaction measures, how they affect their practices and how to adjust their strategic plans accordingly.

In Vocera’s 2016 Rise of the Chief Experience Officer report, 64 percent of healthcare professionals state that their organizations value patient satisfaction just as much as they do patient safety and clinical workflow improvements. Since patients have assumed more of a consumer role in their own healthcare, hospitals and other organizations now need to ensure that their patients were happy with the care that they received and how they were treated as people. Supporting patient satisfaction can have a positive effect on several parts of the healthcare organization, including improving patient retention rates, securing a positive local reputation, and preventing possible malpractice lawsuits.

According to Dewa et al, (2016), this patient satisfaction model of healthcare has the potential to have a negative impact on the healthcare system as evidenced by decreased physician satisfaction and increased burnout.

**Patients’ satisfaction and quality healthcare in the context of Ghana**

Ghanaians perceive the quality of health services as sub-standard and therefore choose alternative sources of treatment (Turkson, 2009). The trust and confidence are undermined by frequent shortages of drugs and medical supplies, long queues, the absence of emergency services and poor staff behaviour. This has resulted in low utilization of health services despite the substantial investment aimed at improving access to health services in Ghana (Shield Workpackage Report, 2007; Gyapong et al, 2007).

However, others perceive the quality of healthcare in Ghana to be high. Turkson (2009), looked at the quality of healthcare delivery in a rural district of Ghana and found that generally the quality of healthcare delivery was perceived to be high for most of the indicators used. That is ninety percent of the respondents were satisfied or very satisfied with the care given during their visit to the health facility. The participants however perceived poor attitude of some health workers, long waiting times, high cost of services, inadequate staff, policy of payment for health services, frequent referrals to hospitals, and lack of ambulances at facilities as being detrimental to effective delivery of quality healthcare.

Furthermore, another study by Atinga et al (2011), examined how communication, provider courtesy, support/care, environment of the facility and waiting time significantly predict patients’ satisfaction with the quality of healthcare in two hospitals located in northern Ghana. They observed that the five-factor model, support/care, environment of the facility and waiting time determine patients’ satisfaction with quality of healthcare delivery. The explanatory power of the dependent variable was explained by 51 percent in the regression model. Peprah (2014) conducted a study at Sunyani Regional Hospital in Ghana to assess patient’s satisfaction using the SERVQUAL model by Parasuraman et al, (1998). The SERVQUAL instrument was adapted and modified to capture the relevant data. A total of 214 patients were sampled for the study. The study analysed for descriptive statistics and patients’ satisfaction were determined by the service quality gap. The study results indicate that the overall satisfaction of the patients concerning service quality of the hospital was good. Again, the study recommends policy action to improve service delivery in communication/interpersonal relationship, assurance and responsiveness dimensions. However, tangibility and empathy were esteemed high by patients in their satisfaction in assessing quality healthcare at Sunyani Regional Hospital.
Determinants of patient satisfaction

It is observed that consumer satisfaction is a fundamental requirement for health care providers. Satisfaction is important when patients themselves and institutional health care service buyers make selection decisions. In addition to its positive impact on patient retention and customer loyalty, patient satisfaction influences the rates of patient compliance with physician advice. In order to understand various factors affecting patient satisfaction, researchers have explored various service quality dimensions considered by patients when evaluating health care quality, such as physician expertise, convenience, degree of concern shown by the physicians and other medical staff i.e. nurses and receptionists. According to Al-Abri & Al-Balushi (2014), in the increasingly competitive market of healthcare industries, healthcare managers should focus on achieving high or excellent ratings of patient satisfaction to improve the quality of service delivery; therefore, healthcare managers need to characterize the factors influencing patient satisfaction which are used as a means to assess the quality of healthcare delivery.

In order to understand various factors affecting patient satisfaction, researchers have explored various dimensions of the perceived service quality, as meaningful and essential measures of patient perception of healthcare quality. Kaneet et al. (1997) and Marley et al. stated that measuring satisfaction should "incorporate dimensions of technical, interpersonal, social, and moral aspects of care". Research of patient satisfaction in advanced as well as developing countries has many common and some unique variables and attributes that influence overall patient satisfaction.

Patient characteristics

Most of the studies in the literature review examined the correlation between demographic factors such as age, gender, health status and level of education with patient satisfaction; however, the findings from these studies are conflicting. Two studies, one conducted in Scotland whereby 650 patients discharged from four acute care general hospitals during February and March 2002, and the second study was conducted in 32 different large tertiary hospitals in the USA; both showed that male patients, patients older than 50 years of age, patients who had a shorter length of stay or better health status and those with primary level education had higher scores related to variable health service-related domains. On the other hand, a national survey performed in different accredited hospitals of Taiwan found that patient characteristics such as age, gender and education level only slightly influenced patient satisfaction but that the health status of patients is an important predictor of a patient’s overall satisfaction. In addition, Nguyen et al. (2002) and Jenkinson et al. (2002) declared from their studies that the two strongest and most consistent determinants of higher satisfaction are old age and better health status. While two studies reported contrary results regarding the influential effect of the two controlled variables (age and gender) on overall patient satisfaction in different aspects of healthcare services. In contrast, a 2006 national survey of 63 hospitals in the five health regions in Norway showed that age, gender, perceived health and education level were not significant predictors of overall patient satisfaction. These factors are not modifiable and are impractical for healthcare managers that are eager to improve patient satisfaction. These patient characteristics should be considered for fair adjustment of patient satisfaction studies in order to be utilized in benchmarking with other healthcare institutions.

Health care settings/ clinical factors

On the other hand, the researchers extensively discussed the multidimensional attributes of healthcare settings that were shown to be the most potent determinants for improving the overall patient satisfaction. Healthcare managers need to direct more efforts towards those highly ranked attributes and initiate some improvement strategies in other areas of health services that are unsatisfactory from the patient's perspective.

A remarkable outcome of four studies conducted in tertiary hospitals in different countries revealed that the nurses' courtesy, respect, careful listening and easy access of care was particularly the strongest driver of overall patient satisfaction. These aspects of nursing care are highly ranked by patients.
compared to other independent factors such as physician care, admission process, physical environment and cleanliness. In addition, a study carried out in 430 hospitals in the USA found the nurse work environment and patient-nurse staffing ratio had statistically significant effects on patient satisfaction and recommendations.

Otani et al. (2011), surveyed 32 different large tertiary hospitals in the USA to identify the relationship of nursing care, physician care and physical environment to the overall patient satisfaction and the results showed that all attributes were statistically significant and positively related to overall satisfaction; however, nursing care was the most critical to increase overall patient satisfaction. The researchers also found that the courtesy and respect of healthcare providers impact more on patient satisfaction while communication and explanation are the second most important aspect. In contrast, a survey conducted at 13 acute care hospitals in Ireland revealed that effective communication and clear explanation had the strongest impact in improving the overall patient satisfaction among other attributes of care. These findings provide evidence of the importance of the nursing role as the most significant determinant of overall patient satisfaction (Sweeney et al., 2003).

Three other studies found that interpersonal communication skills of physicians in terms of their attitude, explanation of conditions, level of care, emotional support, respect for patient preferences and involving patients in decision making were more influential factors than clinical competence and hospital tangibles on patient satisfaction (Cheng et al., 2003, Kim et al., 2004, Andrabi et al., 2012). However, a survey conducted in a tertiary care academic hospital in the USA showed that only 33% of physicians were rated as excellent for their communication behaviour which suggests that there is room for improvement in physician communication behaviour in the hospital to improve quality of care. In addition, the main outcome of a study using the data of 202 participants from general acute care hospitals in the USA, concluded that most determinants of patient satisfaction were related to communication, empathy and caring from hospital personnel (Kathryn et al., 2004).

According to Heath (2018), overall, patient satisfaction boils down to three points: communication, provider empathy, and care coordination. Patient loyalty is primarily driven by:

1. Communication- There is a difference between waiting and not knowing why you’re waiting.
2. Empathy- Patients want to understand that we actually care for them. So, ability to be empathetic in delivery of care is incredibly important to patients.
3. And the last one is coordination of care. Patients want providers to work as a team.

Research shows that despite the technical quality of care delivered, provider empathy is the main teller of whether a patient will or will not be satisfied. Patients also perceive empathic care as technically better than less personal care. Even simple things like increasing eye contact with patients will boost satisfaction and engagement. In a recent survey published in the ‘Patient Engagement Hit’ – Healthcare Media, 59% of patients reported that face-to-face time with their providers increased their engagement and satisfaction, (Heath, 2018).

Non-clinical/ non-medical factors

Regarding non-clinical factors, there are some contrary comments which were disclosed by Kui-Son et al (2005) regarding the aspects of hospital environment and amenities which scored lowest for a patient satisfaction index in a study carried out in out-patients departments in South Korea. Correspondingly, a study conducted in a public hospital in France found the most common problems experienced by patients were related to hospital living arrangements and amenities (Nguyen et al.2002). A similar result was reported in a study conducted at five hospitals served under the BJC Healthcare System (Otani et al. 2011). Furthermore, Arshad et al. (2012) reported that the major dissatisfaction in an out-patients department was the long waiting time and overcrowded registration. In contrast, a study carried out in five different hospitals in Scotland found that physical comfort had the highest satisfaction rate compared to other core dimensions: information, coordination of care and emotional support (Jenkinson et al. 2002).
Many situations may influence patient satisfaction such as, waiting time to receive the medical care services, availability of convenience facilities in hospitals and doctor-patient communication and interaction. A study by Okotie et al. (2008) states that waiting time to access health care may be associated with the patient’s socio-economic background, as the wealthy patients usually do not want to wait for a longer time and exert pressure to receive early appointments. But poor patients have no other option but to wait for a longer time. Waiting time for a patient is in fact the time spent waiting for a consultant and it can be said that if the consultation process is undertaken in a timely manner as perceived by the patients, it will give results of more satisfied patients, however, if the process is delayed patients may get upset and frustrated, which will thus reduce their satisfaction to a great deal. Expectations of the patients, service quality and patient satisfaction may also vary across different levels of Hospitals.

**Patient satisfaction in outpatient and inpatient settings**

According to Mosadeghrad (2014), although both academia and practitioners agree on the importance of measuring patient satisfaction, the findings differ on the suggested factors that influence the satisfaction level of patients. While a number of studies have suggested that there is an association between the hospital characteristics [such as administration, management, environment and settings] and patient’s characteristics [demographic and socio-economic factors and health status], with the patient satisfaction, another strand of research has found that subjective experiences of received care and service and health status are stronger predictors of patient satisfaction compared to socio-demographic determinants. The differences in the findings may be due to national and culturally constrained factors.

A detailed survey was conducted by Lee (2005) to test outpatients in dental clinics which were available in the greater Daegu area of Korea and he differentiated medical services quality into: (i) treatment, (ii) professionalism, (iii) courtesy, (iv) convenience, and (v) comfortableness. Hence, factors involving medical services quality in Hospitals vary considerably depending upon the various kinds i.e (dentist department versus general department) and the types i.e. (inpatient in Hospitals versus outpatient in Hospitals) of medical services provided.

Rao et al., (2006) surveyed inpatients and outpatients who visited primary health centers, community health centers, district hospitals and female district hospitals in the state of Uttar Pradesh, the most populous state of India. They identified five dimensions of service quality – medicine availability, medical information, staff and doctor behaviour and hospital infrastructure. Patients’ perception of service quality was found to be marginally better than average. For outpatients, doctor behaviour was the key determinant of patient satisfaction.

Kumari et al. (2009), examined patients attending the outpatient department (OPD) of government allopathic health facilities of Lucknow district, the capital city of Uttar Pradesh.

Although the overall satisfaction of the patient was satisfactory, there were deficiencies in certain areas such as short OPD hours, availability of drinking water, availability of clean toilets and doctor–patient communication.

Sharma et al (2004) assessed the patient satisfaction level visiting the OPD in a premier multi-specialty hospital of North India and concluded that the patients were satisfied with the doctor, nurses and paramedical staff. However, a certain percentage of patients opined that doctors had shown little interest to listen to patients’ problems and often used technical terms to explain their illness or consequences. The majority of the patients in the survey were satisfied with the basic amenities, but the services were found costly.

Mekoth et al., (2012), studied the OPD of a public hospital in Goa and observed the quality of physicians and clinical support staff as key determinants of patient satisfaction. However, the quality of non-clinical staff was not found to affect patient satisfaction.

**Factors that influence patient satisfaction or dissatisfaction**

Boonshoof and Gray (2004) conducted studies on the relationships between service quality, customer satisfaction and buying intentions in the private hospital industry. Their study attempted to assess what
dimensions of both customer satisfaction and service quality drive ‘Overall Satisfaction and Loyalty’ in the South African private hospital industry. The results revealed that the service quality dimensions, empathy of nursing staff and assurance impact positively on both loyalty and cumulative satisfaction. The results also revealed that the customer satisfaction dimensions are: satisfaction with food, satisfaction with the nursing staff and satisfaction with the tariff. All these affects positively on both loyalty and satisfaction. The survey and study conducted, aimed to investigate the relationship between outpatient satisfaction and service quality dimensions where patients have substantial freedom in choosing their medical service providers. Results show that the pattern of relationships between service quality and patient satisfaction was similar across the gender, age and service type subgroups; it was an exploratory study on service quality.

Themes showing patient satisfaction with healthcare delivery in India were conducted by Sachin Kamble (2007) who has stated that very little emphasis was given by patients on service quality dimensions. The aim of the research was to get an idea of patient’s interpretations of satisfaction.

A detailed study was done by Hardeep Chahal (2004) of Ahmedabad Civil Hospital, which showed that the more satisfied the patients are with the quality of interactions with staff, more likely they will opt for treatments for similar and different medical problems and would recommend the hospital to their friends and relatives. Patients basically from pediatric, obstetrics and gynecology had been selected for the study. Results stated that it is necessary to capture information on patient’s needs, expectations and perceptions. Main concerns of patients relate to being treated with dignity and respect, given clear information and psychological support. Older patients tended to be more satisfied with medical care services than their younger counterparts.

Patient satisfaction according to March S, Swart E, Robra B (2006) is an important indicator in evaluating the quality of the patient satisfaction (care) in the outpatient department. In a study conducted at Mageburg, Germany only 3.6% of patients were dissatisfied. Thorne L, Ellamushi (2002) at the Neuro-surgical care department of National Hospital, London, observed that most aspects of patient care had 70 to 80% satisfaction.

Laurent et al. 2006 conducted a study in a tertiary teaching hospital in France aiming to assess the opinions of clinical staff towards the effect of in-patient satisfaction surveys on the quality improvement process. A favourable result of 94% revealed that the patient was able to judge hospital service quality, especially in its relational, organizational and environmental dimensions.

Why Is patient satisfaction important to hospitals?

A measure of care quality, patient satisfaction gives providers insights into various aspects of medicine, including the effectiveness of their care and their level of empathy. These days, delivering top-notch medical care involves more than just helping the patient get well — it also encompasses the overall patient experience. Specifically, it's crucial to assess the patients' level of satisfaction with their treatment. Healthcare organizations are taking notice. Several studies indicate ensuring maximum patient satisfaction in their facilities is a top priority of hospital executives throughout the United States (Gallagher Healthcare, 2018)

According to Gallagher Healthcare (2018) from a business perspective, patient satisfaction matters for several reasons, including:

- **Building loyalty:** In today's ultra-competitive healthcare environment, hospitals must do everything possible to ensure their patients continue to choose them as their medical treatment providers. A satisfied patient is more likely to keep the same hospital than search for another facility.

- **Attracting new patients:** As the old marketing adage goes, word of mouth is the best form of advertising. People who are satisfied with their hospital stay are more likely to tell others about their experience, which can help healthcare facilities to keep new patients coming through the doors.
• **Improving clinical outcomes:** Studies indicate a direct correlation between patient satisfaction and the effectiveness of treatment. Hospital physicians and staff members who can build trust will increase the likelihood of the patient adhering to their treatment recommendations.

• **Minimizing the risk of litigation:** Some medical literature indicates patients who are satisfied with the level of care provided by a hospital are less likely to sue if they experience an unsatisfactory clinical outcome.

The reviewed literature agreed on the fact that there is an impact of measuring patient satisfaction on quality improvement of care. Patients’ evaluation of care is a realistic tool to provide opportunity for improvement, enhance strategic decision making, reduce cost, meet patients’ expectations, frame strategies for effective management, monitor healthcare performance of health plans and provide benchmarking across the healthcare institutions (Al-Abri & Al-Balushi, 2014).

In addition, due to the tendency of healthcare industries to concentrate on patient-centered care; patient satisfaction reflects patients’ involvement in decision making and their role as partners in improving the quality of healthcare services. Mohan et al (2011) also deemed the significant correlation between measuring patient satisfaction and continuity of care where the satisfied patients tend to comply with the treatment and adhere to the same healthcare providers. Patient satisfaction represents a key marker of communication and health-related behavior. In contrast, some of the literature dismisses patients' views as a wholly subjective evaluation and an unreliable judgment of the quality of care.

**Conclusion remarks**

It is noticed that patient’s perception about health care systems seems to have been largely ignored by healthcare managers in developing countries. Patient satisfaction depends upon many factors such as: quality of clinical services provided, availability of medicine, attitude, behaviour of doctors and staff, cost of services, hospital infrastructure, physical comfort, emotional support and respect for patient preferences. All these factors can be categorized into clinical and non-clinical factors. Therefore, both clinical and non-clinical factors influence patient satisfaction. Mismatch between patient expectation and the service received is related to decreased satisfaction. Therefore, assessing patient’s perspectives according to World Health Organization, Report (2000), gives them a voice which can make private and public health services more responsive to people’s needs and expectations.

There are very few studies in Ghana that measure patient satisfaction with the services provided by the healthcare organizations (clinical and non-clinical services). Patient satisfaction surveys are useful in gaining an understanding of user’s needs and their perception of the services received. Patients attending each hospital are responsible for spreading the good image of the hospital and hence the satisfaction of the patients attending the hospitals is equally important for the hospital management. Surveys of outpatient’s services (OPD) have elicited problems like overcrowding, delay in consultation, proper behaviour of staff, logistic arrangements, support services, nursing care, doctor’s consultation, etc. However, there is little or no survey conducted on inpatient department especially in Ghana. There is therefore the need for researchers to conduct studies on patient satisfaction and its determinants in outpatient and inpatient departments and also how non-clinical factors influence patient satisfaction.

**References**


The Presence of Talent Management Practice among the Few Selected State-Owned Enterprises in Namibia

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Abstract

The management of State-Owned Enterprises (SOE’s) in Namibia are faced with mammoth of challenges especially ensuring the organisation has the right people ready for critical roles now and in the future. This is absolutely necessary, to avoid inefficient and ineffectiveness in performances. One of the major approaches used to achieve the availability of talent pools in performing organisations is the practice of Talent Management. This study sought to establish the level of existence and application of the systematic approaches required in managing the career growth of high potential employees in SOE in Namibia. Secondly the study is aimed at identifying the mechanisms implemented and challenges experienced by these companies in managing their talents. Interviews and structured questionnaires involving the participation of over four (4) SOE’s was used as the main tools for this study. The findings of this study revealed that the lack of understanding the Talent management practice and benefits to organisations is a critical factor affecting the practice of TM in Namibian SOE’s based in Windhoek. The study thus, recommends that SOE’s give this factor special consideration when strategizing their company performance approaches. The study further recommends that studies be done to explore other factors other than lack of understanding on the Talent Management Practice affecting the implementation of TM to continuously improve the SOE’s performances.

Keywords: Talent Management, Talent pools, SOE’s, Succession plan, Replacement plan.

Introduction

Like a machine, a business will fail to operate successfully if key elements such as processes, systems, and structure are skewed or delayed by resistance between those elements. Similar, like a machine, a business must be designed, operated, and maintained. These functions are performed by the talent – the human capital employed by the enterprise.

Indeed, talent typically is the single biggest pedal for driving improvements in business performance. The collective skills of the talent employed in an organization largely comprise the organization’s core capabilities. An organization’s talent injects capabilities that are very difficult for competitors to benchmark and replicate. Sustained competitive advantage comes from talent management practices in other words, how the organization attracts, develops, retains, motivates, manages, and rewards its talent. Taking a systematic approach to managing the career growth of high potential employees can help ensure the organisation has the right people ready for critical roles now and in the future. Talent management gained support of the Profession in the early 2000s popularity, following the publication of McKinsey & Company’s “War for Talent” study conducted in 1997, which drew widespread attention to a rising demand for talent-intensive skills that surpasses supply in many industries and markets. However, the connection between the TM preceding practice human resource development and organizational effectiveness has been established since the 1970s. Since then, the authors on talent management research activities included succession planning, assessment, development and high potential management.

If an organisation wants to be successful, it must invest in talent management of their workers to obtain some conditions in the company like good business environment. (Stahl, 2012). Executives around the world seem to agree: One of the biggest challenges facing their companies is building and sustaining a strong talent pipeline. In a recent survey of 300 firms conducted by the Hay Group and Chief Executive magazine, participating companies ranked “finding the right number of leaders” as
their top challenge, and every single firm indicated its belief that demand for leaders would increase in the future. Not only do companies have trouble filling their talent pipelines due to shifting demographics and workforce preferences, but they also must develop new capabilities and revitalize their organizations as they transform their businesses, invest in new technologies, enter into new partnerships, and globalize their operations.

In Namibia, a talent management practice is indirectly anchored to Namibia vision 2030 and other national development plans in force. Accordingly, Namibia being a young economy is striving to become an industrialized economy by its people by the year 2030. We, narrow the TM practice contribution that is embedded at the organisation level, in particular with State Owned Enterprises. (Patriot, 2017) Namibia has developed a culture of being comfortable with people acting in positions for extended periods. In most cases, the acting officials would serve in those positions, without getting any considerations to land the job on a permanent basis. This trend is very common within Namibia’s parastatal ranks. SOEs are a strategic and integral part of the country’s growth, but over the years little attention has been given to these entities apart from throwing money to them when they are in trouble. A good example, are the case of Air Namibia or Telecom.

where the MDs, Mandi Samson and Theo Klein, have been acting for long. It is rather puzzling to know that someone can be allowed to act for so long but that person is not fit to get the job on a permanent basis.

Research objectives

The study was guided by the following specific objectives:

1. To investigate the application of the talent management practice or approaches in selected SOE’s in Namibia
2. To identify the mechanisms/arrangements in place for managing Talents in selected SOE’s in Namibia
3. To identify the challenges experienced in effort of managing Talents in selected SOE’s in Namibia

Research hypothesis

This study tested the following hypothesis;

Ho1: Human Resource Management staff knowledge, skills and competencies on Talent Management Practice has a negative impact on the application of talent management Practice in the selected SOE’s in Namibia.

Ho2: Provision of Talent Management division/office in the SOEs structure has negatively impacted the practice of Talent Management in selected SOE’s in Namibia.

Ho3: Management Involvement has a negative impact in the application of Talent Management practice in selected SOE’s in Namibia.
Conceptual framework

Moderating variable

Literature review

Talent management and corporate performances

Increasing attention to scarce talented human resources and the integrating human resource activities have paved ways to many organisations to practice the talent Management. Talent management is gaining mainstream acceptance worldwide as a key management area, thus adding new knowledge and innovation in the field of human resource management. Therefore, talent management is becoming a strategic instrument for corporate performance and an instrument for the creation of sustainable competitive advantage. However, the talent pool only becomes a source of such advantage when effectively managed (Latukha, 2016).

For talent management to find sustenance, one must first define who has talent and who does not. According to (Latukha, 2016) talent could be defined as the sum of a person’s abilities, an intrinsic gift, skills, knowledge, experience, intelligence, judgment, attitude, character and drive; it also includes a person’s ability to learn and grow. Talent is a prominent ability to achieve outstanding results; talented employees are the best performers in the company who rank at the top in terms of capability and performance.

Some authors stress that talent is enduring and unique, that it is provided from birth and is virtually impossible to teach. Moreover, talent also often includes the demonstrated potential for further promotion, a potential leader either at present or some point in future, who is „future-oriented”. Here talent becomes a strategic balance between performance and potential.

The definition of talent management can be expanded with additional details: the influence on sustainable competitive advantage, the recruitment of the most talented candidates, and the creation of an inside human resource management system to develop and motivate these candidates at work. Moreover, talent management is seen to contribute more to the strategic goals of a company rather than just filling positions with the right people, and is seen as a set of instruments to create a firm’s competitive advantage. Talent management practices are performed by talent attraction, training and development, and talent retention with the aim to achieve strategic organizational goals and contribute to a company "performance.

Talent management practices

For talent management to be effective, a company must first commit to building its ability to lead and guide its talent pool. Some firms fail to capitalize on the opportunity for strategic success that proper talent management can bring and never set up their talent guidance team. Talent management
should be an integral part of the firm’s strategy, so top management must build and sustain talent so as to make them key assets. (Latukha, 2016).

A supportive corporate culture provides a sense of cohesion and deepens the understanding of the corporate strategic targets. Another key dimension is the perception by employees of these talent management practices. It is key here for staff to see the talent pool as an attainable target and not an elite squadron out of their reach. By using psychological contract theory, employee perceptions of the extent to which talent qualities are rewarded and the effect of such perceptions on employee-felt obligations to develop skills were assessed. Managers have to honor the psychological contract with their employees, meaning they must not breach their trust, fail to meet their expectations and thus risk losing valuable employees.

(Campbell, 2013) Gave an emphasise that, Talent management is the systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to the organisations because of their high potential for the future. Talent management is a key business strategy and an investment in the future capability of the organisation. Hence, taking a systematic approach to managing the career growth of high potential employees can help ensure the organisation has the right people ready for critical roles now and in the future.

**The four-step approach to managing talents in an organisation**

Talent management focuses on individuals with the potential to successfully undertake these critical roles now and in the future. There are four elements to the system as proposed by Campbell (2013):

1. **Talent attraction and identification**: Sourcing external talent or identifying internal talent with the capacity to be successful in critical roles in the future.
2. **Talent development**: Making a targeted investment in the development of talented employees to build their capability for future roles.
3. **Talent engagement**: Maintaining the engagement of talented employees with the organisation, and retaining them, through career management, ongoing development and retention strategies.
4. **Talent deployment**: Actively drawing on identified talent to fill critical workforce gaps. This involves the placement of talented individuals in either short-term roles (critical projects/taskforces) or in long-term positions in line with career aspirations and business needs.
Challenges of implementing talent management practice

Lathuka (2016) argued that current challenges for modern companies nowadays are connected with the great range of social, economic, cultural and political factors affecting organizational „life” locally that also can be found in the emerging market context. Talent management in Russia remains a very recent concept but one that is increasingly popular due to the combined effect of aging skilled employees, workforce scarcity and competition of foreign companies which often have well-developed talent management practices.

Authors have pointed out four main factors as sources of a „wariness of talent” in the business sector and requiring firms in emerging economies to catch up on talent management practices:
- Isolation of the top decision makers,
- Survival of authoritarian and bureaucratic management patterns
(what some researchers have called „entrenched bossdom)
• Short-term orientation of business decision-making processes (detrimental to longer-term orientations), and
• Lack of business or management-skilled individuals.

Talent management convergence between developed and emerging markets seems to be on its way. Many examples give us the chance to see that aligning talent management practices to the strategy and goals of a company serves as the background for a company’s competitive advantage, leading market positions, employer brand effectiveness, and performance results in both domestic and international environments. A number of sources point out that good talent management can create a strong competitive advantage, one that cannot easily be replicated or copied by competitors. For China and India, there is such a relationship, and its effects and benefits have been found and analyzed.

However, for other emerging markets and Developing countries where Namibia is no exception. there is still a large gap in the research. Let’s now examine now how some of the selected State-Owned Enterprise in Namibia handle their talent management duties.

Empirical literature

Talent management in emerging market firms was investigated in multiple studies conducted or supervised by (Latukha, 2016). Those studies aimed to build a deep understanding of how companies from emerging economies create and support their competitiveness using human resources as a main asset. Research proves that talent management can be considered as a serious driver of corporate performance and can provide sustainable competitive advantages for emerging multinationals.

Talent management in emerging and developing market firms should be a top priority for all managers, whereas talent management practices are performed as a system with top- and middle management involvement.

SOE’s in namibia

State-owned enterprises, in Namibia also called Public enterprises, fall under the Namibian Ministry of Public Enterprises established in March 2015. As of 2017 there are a total of 97 state-owned enterprises in Namibia, mainly active mining, education, and financial services but also covering tourism facilities, media, and transport.

Namibia has developed a culture of being comfortable with people acting in positions for extended periods. In most cases, the acting officials would serve in those positions, without getting any considerations to land the job on a permanent basis. In some cases, acting CEOs even go for interviews to land the job permanently, but they end up not making the cut. Such incidents make one wonder how someone can be allowed to act for more than a year but yet again the company’s board harbors the feeling that person is not fit to lead the company on a permanent basis. This trend is very common within Namibia’s State-Owned Enterprises ranks (Patriot, 2017). If someone acts for long without being given the job it can only mean one thing—that person is not fit for the job. So why then burden the company with an acting head who is not fit to lead the company? and if the acting person is fit to lead the company, why is there a delay to appoint that person?

SOEs in Namibia have the potential to grow the country’s economy provided that the right leaders are appointed, but over the years little attention has been given to these entities apart from throwing money to them when they are in trouble. By 2017 it was reported that about 72 parastals employ over 15 000 people with some annual salary bills of SOEs surpassing N$300 million.

Research methodology

Research design

This was a correlational study. A correlational design involves delineation of the important variables associated with the research problem (Martelli, 2018) and investigates one or more characteristics of a group to discover the extent to which the characteristics vary together (Martelli). The study sought to establish the level of talent management practise. In addition, this was a survey, as is associated with a guided and quick collection, analysis and interpretation of observation.
Target population

The target population of this study comprised of the SOEs in Namibia while the respondents were the HR employees of the selected SOE’s in Windhoek, Namibia. As of 2017 there are a total of 97 state-owned enterprises in Namibia.

Sample size and sampling procedure

Simple random sampling was used to select four (4) of the State-Owned Enterprises. Simple random sampling is a sampling technique in which all possible samples of „n” objects have equal likelihood of being selected (Frerichs,2008).

Due to financial and time constraints, 4 SOE’s were selected. On the other hand, respondents’ sample was determined using stratified random sampling technique to ensure that different groups of a population are adequately represented in the sample. Stratified sampling divides the population into homogenous groups such that the elements within each group are more alike than the elements in the population as a whole (Nachmias and Nachmias, 2008). The sample for this study comprised selected Human resource employees from all levels in the Human Resource department of the selected organizations. This is because implementation of Talent Management Practice is the responsibility of every HR Department in the organization.

Data collection

Primary data was collected regarding talent management practice in particular information regarding the mechanisms in place to manage talents and the challenges experienced in managing talents in the selected SOES’s. The respondents for this study were employees from HR Department in the organizations. Data were collected by interviews with supported structured questionnaires. The researcher took necessary actions in time before the actual data collection. Apart from the structured questionnaires a letter requesting information on Talent Management practice in selected organisation for academic purposes was issued prior the interview appointment day with HR Department.

Data analysis technique

The data collected was analysed using graphical diagrams. Therefore, diagrams and pie charts are used to depict the level of Talent management practice in the selected SOE’s.

Ethical considerations

The researcher sought authorization from the HR Department Management in selected SOE’s prior to carrying out the research. All information obtained in this research were strictly used for academic purposes and respondents were assured of the confidentially of information shared.

Results and discussion

To establish the level of application of Talent Management Practice by the Human Resource Department and the challenges that Overall SOEs selected are experiencing in ensuring there is the talent individuals readily available to continue with the organisation’s operations, comparable analysis was conducted. The results were as shown in the table below:

The researcher visited four (4) SOE’s namely Road Contractor Company (RCC), Telecom Namibia Namibia Institute of Pathology, and TransNamib in which the group interviewed HR employees about how they deal with talent management, succession planning process and indicate the challenges experienced on this in the organisation.

Road contractor company limited

Road Contractor Company Ltd is a company established in terms of the company Act and is fully owned by the Government of the Republic of Namibia. It is one of the companies that constructing and maintaining roads across Namibia
Telecom namibia

Telecom Namibia is a customer driven company that change telecommunication product and service to the demand of its customer. Telecom Namibia runs the largest Digital Telecommunication Network in Namibia. The company is a leading supplier of voice, text, data and video solution.
Table 1. State Owned Enterprises comparative analysis in terms of talent management, success planning, replacement planning, and challenges experienced

<table>
<thead>
<tr>
<th>Talent Management</th>
<th>Road Contractor Company</th>
<th>Telecom Namibia</th>
<th>NIP</th>
<th>Transnamib</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Attraction and</td>
<td>• Market itself as an employer of choice</td>
<td>• Competence is selected on qualifications, Experience and competency in disciplines.</td>
<td>• the services which NIP offers are crucial and require individual portraying high level of talent and knowledge to perform effectively as per institutional objectives and goals</td>
<td>• No interview was held as they indicate</td>
</tr>
<tr>
<td>Identification</td>
<td>• Ensure condition of employment is taken care by giving good benefits, salary progression and performance rewards.</td>
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<td></td>
<td>• Providing suitable working tools.</td>
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<tr>
<td>b. Development</td>
<td>• Identify talent through work performance Developing programmes of providing study aid of providing study aid.</td>
<td>• Company uses validated culture fair assessment instrument to determine the trainability, technical aptitude and development potentiality personnel.</td>
<td>• Individuals in designated leadership roles who are exceeding expectations based on current assessment practices at the System, individual institutional level</td>
<td>• Not applicable</td>
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<td></td>
<td></td>
<td></td>
<td>• They are seen as being capable of advancing to a significantly of advancing to a significantly hire</td>
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<tr>
<td>c. Engagement</td>
<td>• Identify skills that are critical to achieve the objective of the company, management that management that attraction, developed and retained</td>
<td>• Individual performance is tested on above average performance over a 3-years period Employee information database to be followed to ensure planning and talent selection.</td>
<td>• Personal talent potential and hard working. • Selection of capable personnel and deploy them according to their talent. • Employees are placed where they are most productive.</td>
<td>• Not applicable</td>
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<td></td>
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<tr>
<td>d. Deployment</td>
<td>• Deployment management in this company is silent. The management did not explain about it as the most employees are rated according to rated according to, they are work</td>
<td>• Employees may be identified as possible candidates for more than one position. Employees may also be taken from</td>
<td>• Succession Planning is similar to Critical Position Planning, but is specifically Planning, but is specifically assume a particular senior assume</td>
<td>• Not Applicable</td>
</tr>
<tr>
<td>Succession Planning</td>
<td>Replacement planning</td>
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<tr>
<td><strong>Fixed</strong></td>
<td>Other Division /Units.</td>
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<tr>
<td>Succession Planning is similar to Critical Position Planning, but is specifically focused on who will assume a particular senior level position.</td>
<td>Succession Planning is similar to Critical Position Planning, but is specifically focused on who will assume a particular senior level position.</td>
<td></td>
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<tr>
<td>Succession and Talent Management Planning is handled with utmost care.</td>
<td>Succession and Talent Management Planning is handled with utmost care and must be understood by all members of the organization.</td>
<td></td>
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</tr>
<tr>
<td>Succession Planning also ensures individuals in the Talent Pool have on-going assessment, development and retention as per NIP principles.</td>
<td>They use replacement planning as a means to raise and consider important issues and important point for the eventual</td>
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<td></td>
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<tr>
<td>Not Applicable</td>
<td>Not Applicable</td>
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</tbody>
</table>

- **Succession Planning**
  - Clear succession and competence criteria are defined for each position against which individual employee’s profile will be evaluated to determine competency gaps and development requirements.
  - Succession and Talent Management Planning is handled with utmost care.

- **Replacement Planning**
  - Vacancies are filled by potential candidates through application to those positions as per recruitment and selection process.

- **Not Applicable**
<table>
<thead>
<tr>
<th>Challenges</th>
<th>HR professional spend a lot of time managing HR activities including recruitment, training and development review.</th>
<th>Position with high turnover rate is the challenges. Positions with no succession/ potential successor are the challenges to the company.</th>
<th>Higher total compensation demands from employees</th>
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<td>- HR can better use workforce information alongside finance data to show for example the impact of talent management practices on absence rates.</td>
<td>- Higher total compensation demands from employees</td>
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<tr>
<td></td>
<td>- The company has challenge on how to measure talent management, it only relay on management judgement.</td>
<td>- Employees will not hesitate to speak up if the compensation is not fair.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Tightening talent market, it is tough to find a person with required skills and talent.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- show for example the Unappealing company culture Most people seek job where they will feel comfortable and relaxed but none of the organization will give such offer.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Increased employee turnover Human resources managers are frequently battling against a high because it is very expensive to replace them.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Lack of leadership When high ranked officials leave the organization, it is always hard to find one suitable to assume the duty. Thus, time is needed to train and develop a new leader to take over.</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>
Namibia institute of pathology

NIP is the largest diagnostic pathology service provider in Namibia and employs over 450 employees. Talent management refers to the anticipation of human capital for this institution, or any other organization and the planning to meet the institutional needs. An organization’s attempt to recruit, keep and retain the most gifted and highest quality staff members that they can find and afford to hire.

Transnamib

TransNamib Holdings Limited is the national surface carrier of Namibia – a leader in provision of rail and road transport solutions within and across the border of the country.

Challenges experienced with talent management practices in SOEs

Source: field data, 2018

As per the above pie chart 1 the research finds out that the challenges are very high in implementing Talent management practice and rolling out the succession plan in those four selected SOE’s is not taken care. Most refer the succession plan to be sensitive practice to be known in advance. If members of the organization found out the succession list, they tend to be jealous and thus, other employees will envy the nominees to the extent of in most cases wish to eliminate them or allege them of being abusive or not competent enough to be their future managers.

Overall the findings of this study are in agreement with the specified list of several common symptoms by (Gallant, 2013) that if they appear in an organization, may indicate the need for this more systematic approach to succession planning. Among them are as follows:

- The organization has conducted a retention risk analysis, a process of estimating the projected departure dates for each individual in the workforce or work group, for reasons of retirement or otherwise.
- The organization has no way to respond quickly to sudden, surprise losses of key talent. If a key person is suddenly lost due to death, disability or resignation, it may take a long time to find a suitable replacement.
- Managers at one or many levels complain that they have trouble finding people ready for promotion or else have trouble finding people who are willing to accept promotions as vacancies occur.
- Workers complain that promotion decisions are made unfairly or capriciously.
- Women, minorities, and other groups protected by law are not adequately represented at various levels and in various functions throughout the organization.
• Critical turnover—that is, the percentage of high potential workers leaving—is higher than the number of fully successful (average) workers leaving.

Conclusion and recommendations

In conclusion, most of talent management studies reviewed did not directly link talent management with the organization performance, however, talent-management practices can create the most permanent competitive advantages, new technologies and innovations can be easily be replicated by competitors and generate only temporary competitive advantages. Sustained competitive advantage comes from talent management practices in other words, how the organization attracts, develops, retains, motivates, manages, and rewards its only through talent management. A requisite pool of qualified and talent employees can simplify the process of achieving the organisational goal and help focus on issues that really matters in the interest of the organisation. Therefore, the overall purpose of talent management is to maintain a skilled and efficient workforce for the organisation. Unless an organisation has the required talent workforce, it can succeed in attaining its goals even if it possesses other factors such as natural resources, infrastructure and technology.

The fact that organizations should gain and retain competitive talent is crucial. Among other things, human resources (people) are crucial for organization’s success. This is evident in most organizations, as they have realized that people are the most important assets, therefore, they have a desire to manage and retain talent in their employment to ensure success in the business world. Retention strategies that organizations should establish are answers to this challenge. Investigations should be undertaken in order to determine factors that affect retention of staff to enable organizations to develop interventions that can address this challenge.

This study only included Human Resource Department staff in selected SOE’s. It is recommended that a perspective from top and middle management including the heads of all departments and board of Directors be included in future research.

References


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Abstract

The study sought to investigate whether customer training in new product release will have an effect on customer loyalty. In this paper, we identify a wide-spread problem that confronts most bank customers through interviews and interactions with regards to using newly released products of the banks in Ghana. We sampled sixteen banks out of the thirty banks in Ghana using simple stratification and used simple random sampling to select 278 customers from the selected banks. Also, we interviewed 45 bank managers out of a target population of ninety (90). The models used were Pearson correlation coefficient to determine the strength of relationship between variables and linear regression to predict the effect of training customers in new product release on customer loyalty. The results show that customer training in new product enhances product usage, improves customer satisfaction, and impact positively on customer loyalty. We also suggest a training model and product satisfaction model to maximize the patronage of the new product.

Keywords: New product release, training, effect, customers, customer loyalty.

Introduction

The business environment of the banking industry has become highly competitive due to the rapid substitution of products and services as a result of technological advancement. Product advantage is short due to swift application of modern information technology to satisfy the market demands for new product. This has resulted in most banks offering almost the same products and services which come with accompanying challenges and difficulties. There is insufficient information and training on the use of these products. Therefore, the customer is unable to maximize the use of the products’ functions to achieve the expected benefit which leads to extreme dissatisfaction.

When a bank releases a new product or product modification, it is necessary for the bank to deliver new training to its customers to facilitate product knowledge and usage. Lack of training customers in the product usage leads to customer frustrations in the use of the product which can cause frustrations leading to dissatisfaction for the new product. These frustrations coupled with some customers’ complaints across the banks underpins the motivation to investigate this problem to give a deeper insight into the level of training banks provide for their customers with regards to new product release. Also, there is lack of scholarly works in this subject area creating a gap in repository of knowledge. Therefore, the study seeks to contribute to knowledge and also corroborate with empirical evidence the need for customer training in new products.

This article investigates the effect of customer training in new product release. It seeks to establish the relationship between training customers in the usage of a new product and customer loyalty. In particular, it finds answers to the level of training offered to customers when new products are released, customer satisfaction with new product usage, and staff reliability and responsiveness to customer needs. The effect of training customers in new product release will have the following impact as indicated in the diagram below:
The concept of training

The concept of training can be referred to as the art of imparting specific skills, abilities, and knowledge to employers, individuals, and groups. In other words, training has the capacity to inform and educate which is critical in making an informed decision. The businessdictionary.com defines training as a planned activity intended to impart information and/or instructions to improve the recipient’s performance or to help him to attain a required level of knowledge or skill. To train is to develop one’s skills, abilities and knowledge and therefore training and development synonymously go together with intertwining explanations.

A formal training is the art of imparting specific skills development and learning opportunities which are designed to help employees grow. “Training is teaching, or developing in oneself or others, any skills, and knowledge that relate to specific useful competence (https://en.wikipedia.org/wiki/training). This means the objective in training is to impart in one the capacity, productivity, and performance. Indeed, training is perceived as a critical tool in retaining customers. However, customers may not be well trained to use a new product if employees themselves lack knowledge in the training.

The effects of training

An effective training must seek to comprehend a number of elements such as customer persona, variations in usage, alternative products, competing products, customer objections and customer biases. Customer training is a way of building a good relationship such as the interpersonal relationship that can join parties together and offer benefit to each party. Thus, customer relationship should be seen from the perspective of emotional attachment and choice. For example, a customer attachment to a new product releases a continuous repeat purchase of that particular product making it difficult to switch. Therefore, training customers in the usage of new products will only seal the bond between the bank and the customer.

When customers are trained to use the new product, they acquire skills that help them to use the product to its fullest. This results in increase customer satisfaction leading to continuous product usage. The customers will engage in repeat purchase because of their capacity to use the product and this will lead to customer loyalty and advocates for the new product. The customers build a consistent trust and repose confidence in the use of a banks’ subsequent products. Also, this makes the customers committed to the bank’s products and services once their needs are met and they are getting the right customer experience. The repeat purchase allows the banks to achieve high customer retention leading to the rise in profitability.

The concept of customer loyalty

The concept of customer loyalty is one of the conduits for business growth. This is because once there is the existence of customer loyalty in the business it presupposes that customers are comfortable and happy to stay with the company; and they are most likely to repeat purchases leading to increase revenues with the positive effect of high levels of profitability. According to PR Loyalty solutions, (2011), “Customer
loyalty is both attitudinal and behavioral tendency to favour one brand over all others due to satisfaction with the product or service, its convenience or performance, or simply familiarity and comfort with the brand”. The group assert that behavioural loyalty is a situation where a person shops at two or more shops consistently which makes a person then becomes loyal to these shops.

Keilingham et al, (2005) cited in PR Loyalty Solutions (2011) also suggest that a person’s loyalty in relation to purchases at any given time is subject to probability to purchasing brand A or B or C at a particular time and degree of purchase levels might also differ. Philip Kotler, (1991) also relates behavioural loyalty to product satisfaction. He affirms that consumers’ dissatisfaction or satisfaction of a particular product is a stimulus to influence the degree of probability to purchase product A or B. This infers that when customers are satisfied with a product the probability of repeating such purchases are very high leading to customer loyalty. Customer loyalty is about the customers’ deep commitment to the partial products and services and the consistent purchase of the brand or series of products and services belonging to the same brand (Oliver, 1997).

The other aspect of loyalty is attitudinal which focuses on psychological commitment where a person demonstrates a strong attachment to a brand who might be promoting to friends but does not necessarily purchase the brand regularly. According to Kotler, psychological commitment is a motivational issue that “arises from psychological states of tension such as the need for recognition, esteem, or belonging”. He further explains human motivation in the perspectives of the psychologists’ theories of human motivation such as, Sigmund Freud who assumes that the real psychological forces shaping peoples’ behavior are largely unconscious; Abraham Maslow theory of motivation also attempts to explain why people are driven by particular needs at particular time; Herzberg’s theory of motivation is a two factor theory of motivation which distinguishes factors that cause dissatisfaction from factors that cause satisfaction. There is a direct correlation between motivation and purchase behaviour and customers are most likely to repeat buying when they are adequately motivated through satisfaction.

**Determinants of customer loyalty**

Varying research findings have identified certain areas as determinants of customer loyalty. Crosby, (1979) sees quality as one of the areas that sustain customer loyalty. He defines quality as an elusive and indistinct construct, often mistaken for impressive adjectives like “goodness, or luxury, or shininess or weight, and its requirement are not easily articulated by consumers” (Takeuchi and Quelch, 1983). The explication and measurement of quality also present problems for researchers (Monroe and Krishman 1983) but quality is often associated with the products and services. It is the totality of the features and characteristics of a firm’s products and services that have the capacity to satisfy customer’s needs (Chavan, 2003).

Rodney and Williams (2004) conducted a study to identify the determinants of customer loyalty in Romania banking industry. The results show that customers are likely to retain their loyalty not only in the area of satisfaction but also factors such as attitudes towards customers, the level of trust customers have in the organization, and its employees’ commitment and ability to ensure clients’ financial interest. The study affirms that 58% of switching behaviours are caused by high level of dissatisfaction with bank’s pricing policy. This is in line with Herzberg’s theory of motivation which talks about dissatisfaction factors that can undermine people’s behaviour.

Further studies by Ndubusi, et al, (2009), Khalibi et al (2002) cited in Rania et al (2014) confirm the effect of perceived service quality, satisfaction, and trust as the main determinants that underpin the sustenance of customer loyalty. Additional past research studies confirm satisfaction, trust, commitment, involvement, perceived risk, habit, and switching cost as positively associated with customer loyalty. Indeed, the customer has a choice to choose from who they want to do business with; leading to the explosion in brand choices (Wiersema, 1994; Treacy, 1994) and increasing number of banks competing for attention for sustainability.
The increasing need for satisfaction in banks’ products is phenomenal, especially when the products are technologically driven. The only way to enhance the satisfaction of customers is to ensure that customers are knowledgeable about the products and comfortable with the usage. This is a requisite need to ensuring customer satisfaction and customer loyalty.

**Theoretical background and hypotheses development**

The demand for training customers in new product usage has become necessary due to the banks’ continuous delivery of technologically driven products. Wells (2014) revealed in his research findings from Brandu Hall that many organisations do some sort of customer training dated back from (2012) in an attempt to retain customers. Wells also indicated that about 93% of companies that train their customers have seen increase in customer satisfaction and 88% increase in customer retention and suggests online training for customers to reduce cost.

Training has a strong effect on employee performance (Nassazi, 2013). Untrained employees are incapable of producing high-quality products and also lack the necessary knowledge and skills to provide quality customer experience which leads to customer dissatisfaction. Shaw (2017) stipulates that when companies train employees the rewarding effect is increased in productivity and profits. Thus, investing in employee training boost customer satisfaction and create more opportunities to generate new ideas for product development.

Training improves the performance of employees and especially when employees are trained well in product knowledge, they acquire the capacity to transfer the knowledge to customers that help them to maximize the effective use of the product’s functions. Chung and Taylor (2016) in their article “The effectiveness of customer participation in new product development” affirm that the stage of customer participation will impact on new product innovativeness, speed to market, and new product financial level. Firm’s reluctance to secure customer participation in product development may lead to customer dissatisfaction (Hoyer, et al. 2010).

There is a positive impact in return on investment (ROI) when firm consistently provide training in product knowledge. For example, Commvault company who had its customers involved in a specific training for one of its products reduced complaints calls from 7.5 calls to 6.5 calls and saved operating cost on the customer from $8,000 to $5,000 (Businessspectator.com). Training customers to use new product is very crucial because it influences product purchase and improve customer loyalty. We, therefore, propose the following hypotheses:

**H1**: Training customers in new product usage is positively associated with customer loyalty.

When customers are knowledgeable in the use of new products, they are able to maximize product utilization to obtain the expected benefit. Customer satisfaction is the key factor to determine long term customer retention which is mostly derived from product quality and the characteristics of service delivery. Researchers such as (Yi, 1990; Bastos and Gallego, 2008; and Chai et al, 2009) espouse the relationship between service and product quality as the key determinants of customer satisfaction. For this reason, we, propose the second hypothesis:

**H2**: Customer satisfaction with new product usage is positively related to customer loyalty.

Reliability and responsiveness are some of the quality dimensions in facilitating customer satisfaction and retention particularly during the period of a new product release. The new product especially the technologically based product often presents challenges with its use. Customers may want to seek assistance from staff and therefore reliability and responsiveness of the staff are very crucial in determining customer’s satisfaction in using the product. Iberahim et al. (2016) conducted a study on reliability and responsiveness of self-technology on retail banking service. The result showed that consistency, dependability, and timeliness are the most important factors that maximize customer faction. We, therefore, propose the third hypothesis:

**H3**: Staff reliability and responsiveness to customer need is positively related to customer loyalty.
Consistent information release on new product creates greater awareness and also facilitate and stimulate desire for the product. The increase in awareness attracts more sales and it is largely attributed to consumers having adequate information on the product (Barroso, 2007). We therefore hypothesise that:

H4: Consistent information release on new product is positively related to customer loyalty.

Consistent training can only impart knowledge and improves on learning experience. A bank that provides learning experience to help its customers to obtain the requisite skills maximize the use of its products to obtain the optimum benefits of the products. We therefore hypothesis that:

H5: Frequent training of customers is positively associated with customer loyalty.

The conceptual framework is indicated below:

**Research methodology**

**Design**

The study adopted both descriptive and inferential methodologies. The descriptive method provides description and characteristics of the issues and inferential method, on the other hand, provides a deeper understanding of the issues relating to training needs of customers. With this method, we make predictions with specific conclusions based on the findings of the study.

**Sampling**

We used simple stratification to select the banks and used purposive sampling to select managers from the population of the commercial banks. There are thirty (31) banks in Ghana and sixteen (16) banks were selected representing 53% of the banks’ population, to take part in the study. This is because they are all commercial banks. The target population for management was ninety (90) and 45 was sampled representing 50% of the population.
However, with regards to the customers, we adopted simple random sampling in selecting the population of the customers from each bank. The target population is thousand (1,000) which is infinite and we adopt the formula of (Krejcie & Morgan, 1970) to determine the sample size as indicated:

$$S = \frac{x^2 NP (1-P)}{d^2(N-1)+x^2 P (1-P)}$$

Where:

$S = \text{Required Sample size}$

$X = Z$ value is 1.96 for 95% confidence level

$N = \text{Population Size}$

$P = \text{Population proportion is 50% expressed as decimal}$

$0.5 d = \text{Degree of accuracy (5%), expressed as a proportion (.05); It is margin of error}$

$$S = \frac{1.96^2 \times 1,000 \times 0.5 (1-0.5)}{0.05^2 (1,000 - 1) + 1.96^2 \times 0.5 (1-0.5)}$$

We simplify the process of determining the sample size for a finite population of (1,000) by adopting the table of Krejcie & Morgan (1970) as indicated:

Table 1. Table for determining sample size

<table>
<thead>
<tr>
<th>N</th>
<th>S</th>
<th>N</th>
<th>S</th>
<th>N</th>
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<td>600</td>
<td>244</td>
<td>1650</td>
<td>343</td>
</tr>
</tbody>
</table>

Note: $N$ is Population Size, $S$ is Sample Size Source: Krejcie & Morgan, 1970

Therefore, the sample size needed for the population of thousand (1,000) is 278

Table 2. Distribution of target population and sample

<table>
<thead>
<tr>
<th>Group</th>
<th>Target population</th>
<th>Sample size</th>
<th>percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks</td>
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<td>53</td>
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<tr>
<td>management</td>
<td>90</td>
<td>45</td>
<td>50</td>
</tr>
<tr>
<td>Customers</td>
<td>1,000</td>
<td>278</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>1,120</td>
<td>298</td>
<td>44.44</td>
</tr>
</tbody>
</table>
Data collection

The preparatory stage saw the training and education of field workers on how to interview the management and customers to elicit proper responses for investigation. The second stage was the design of the questionnaire which went through an iterative process and pilot testing with the customers before the final design of the questionnaire. This was to ensure that the final questionnaire answers the research questions. We applied closed-ended questions and five-point Likert scale type questions to elicit responses from the respondents. The questionnaires were randomly distributed to the sampled 278 customers across the sixteen banks. We also had face-face interviews with some of the managers across the selected banks to elicit their views on new product training and to determine whether it is incorporated in the integral part of the bank’s strategy to ensure maximum product usage.

Measures

The information gained from the survey allowed us to measure dependent variables, independent variables, and control variables.

Dependent variable

The dependent variable is the customer loyalty which reflects the results of customers’ response to the new product during the period. The level of customers’ complaints about the new product is analyzed as well as the level of product usage.

Independent variables

Lack of training in new product release is associated with negative effect on customer loyalty. This was measured on a five point-Likert scale ranging from 1 to 5. A higher value signifies a higher level of training in new product release.

Customer satisfaction is expressed as customers being satisfied with the new product usage, meeting their expectations and expected benefit. These were measured using the five-point Likert scale ranging from 1 to 5. A higher value signifies a higher level of training in new product release.

Staff reliability and responsiveness is directly related to service quality tangibles. It is defined as the consistency in performing the promised service dependably, accurately, and consistently. The bank’s responsiveness and willingness to help customers in the new product usage. Areas like accessibility, availability, and willingness to help were measured using 5 point-Likert scale with the highest score representing high level of reliability and responsiveness.

Control variable

The size of a firm is an important element in its performance. It affects the firm’s operations and performance and the key characteristic of a larger firm is the ability to exploit economics of scale for their advantage (Dut, 2015). These firms have an effective implementation in operations and therefore return on investment is relatively higher. It is, therefore, necessary to make distinction between the larger banks and the smaller banks, the level of IT infrastructure, and their capacity to deliver training to their customers.

Model specification

The models allowed us to test the hypotheses of the study. The study made use of Pearson correlation coefficient to test the strength of relationship of the independent variables – lack of training in new product release, customer satisfaction with new product usage, staff reliability and responsiveness, and customer loyalty - the dependent variable. The degree of relationship is expressed by the coefficient ranging between (-1 ≤ r ≥ +1). Pearson correlation coefficient equation is indicated below:

\[
\frac{r = \frac{\Sigma (x-\bar{x})(y-\bar{y})}{\sqrt{(\Sigma x^2 - (\Sigma x)^2)(\Sigma y^2 - (\Sigma y)^2)}}}{\text{equa (1)}}
\]
Where:
N = number of pairs of scores
ΣXY = sum of the products of paired scores
ΣX = sum of scores
Σy = sum of scores
Σx² = sum of squared X scores
Σy² = sum of squared y scores

The study also made use of linear regression technique methods to ascertain the best-fitted model for estimating and predicting the effect of training in new product release. The dependent variable is customer loyalty and the independent variables are lack of training in new product release, customer satisfaction with new product usage, staff reliability and responsiveness to customer need with regard to new product usage, frequent training in new product, and information on new product release. The following model was used to examine the effect of the independent variables on customer loyalty. The equations and variables to be used are given below:

\[ CL_i = \beta_0 + bx_1 + bx_2 + bx_3 + e \ldots \text{equa (2)} \]

\[ CL_i = \beta_0 + \beta_1 TNCPR + \beta_2 CSNPU + \beta_3 SRR + \beta_4 FTNP + \beta_5 INPR + e \ldots \text{equa (3)} \]

Where
TNCPR = Training customers in new product release.
CSNPU = Customer satisfaction with new product usage.
SRR = Staff reliability and responsiveness to customer need.
FTNP = Frequent training in new product.
INPR = Information on new product release.
e = error term.

The (e) is the confidence interval which means we tested each variable at 5% level of significance in other words we used 95% confidence level.

**Empirical results**

**Descriptive statistics and correlation test**

The descriptive statistics below indicate the closeness of individual response to the question asked. The spread of the responses is concentrated around the mean signifying the uniformity in the response rate. It also reflects the closeness of the individual data values from the mean value and underscores a true reflection of the equivalence of the sample mean to the mean of the overall population. For example, training in new product usage has a mean of 4.10 and a standard deviation of .866. Similarly, information on new product release has a mean of 4.17 and a standard deviation of .849. These indicators corroborate the assertion of uniformity in the response rate.

**Descriptive**

<table>
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<th>Variables</th>
<th>Mean</th>
<th>Std. Error of Mean</th>
<th>Median</th>
<th>Mode</th>
<th>Std. Deviation</th>
<th>Variance</th>
<th>Range</th>
<th>Minimum</th>
<th>Maximum</th>
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<tbody>
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<td>Frequent training in new product</td>
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<td>0.029</td>
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<td>2</td>
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<td>Training in new product usage</td>
<td>4.10</td>
<td>0.052</td>
<td>4.00</td>
<td>4</td>
<td>0.866</td>
<td>0.751</td>
<td>4</td>
<td>1</td>
<td>5</td>
</tr>
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<td>-------------------------------</td>
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<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Customer Satisfaction with new product usage</td>
<td>4.06</td>
<td>0.053</td>
<td>4.00</td>
<td>4</td>
<td>0.889</td>
<td>0.790</td>
<td>4</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Responsiveness And reliability</td>
<td>4.02</td>
<td>0.061</td>
<td>4.00</td>
<td>4</td>
<td>1.025</td>
<td>1.050</td>
<td>4</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

**Correlations**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Regular training of customers</th>
<th>Information on new product release</th>
<th>Training customers in product usage</th>
<th>Satisfaction with product usage</th>
<th>Responsiveness and reliability of staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular training of customers.</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>0.042</td>
<td>0.53</td>
<td>0.045</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td>0.483</td>
<td>0.375</td>
<td>0.456</td>
</tr>
<tr>
<td>Release of information on new product</td>
<td>Pearson Correlation</td>
<td>0.042</td>
<td>1</td>
<td>.623**</td>
<td>.483**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.483</td>
<td></td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>Training customers in product usage</td>
<td>Pearson Correlation</td>
<td>0.53</td>
<td>0.623**</td>
<td>1</td>
<td>0.563**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.375</td>
<td>0.000</td>
<td></td>
<td>0.000</td>
</tr>
<tr>
<td>Satisfaction with product usage</td>
<td>Pearson Correlation</td>
<td>0.045</td>
<td>0.483**</td>
<td>0.563**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.456</td>
<td>0.000</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Responsiveness and reliability of staff</td>
<td>Pearson Correlation</td>
<td>0.094</td>
<td>0.527**</td>
<td>0.551**</td>
<td>0.649**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.118</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

There is a significant correlation between the variables. For example, information release on a new product, training in new product usage, satisfaction with product usage, and responsiveness and reliability of staff show a correlation of \( r = (+).623 \) indicating strong correlation, \( r = (+).483 \) indicating weak correlation and \( r = (+).527 \) showing some degree of correlation respectively in the variables. The implication is that as information is released on new product there is a corresponding increase in product usage training, staff responsiveness and reliability in providing help to customers also increase, and there is increase in customers experience satisfaction in the product usage.
Training customers in new product usage, information release on new product, satisfaction with new product usage, responsiveness, and reliability of staff are positively correlated and show a strong correlation of \( r = ( + ) .623, r = ( + ) .563, \) and \( r = ( + ) .649 \) respectively demonstrating the strength of relationship between the variables. As training in product usage increases, there is a corresponding increase in product satisfaction and responsiveness and reliability of staff in responding to customers’ challenges on the new product usage. There is a clear indication that a new product release is positively associated with training the customers on product usage which relates to customer satisfaction in the new product.

**Regression estimates**

*, ** and *** denotes 10%, 5% and 1% significance levels respectively.

The analysis of variance (ANOVA) shows a P-value of .000 which is less than .05. This indicates that P < .05 at .000 significance depicts a strength of evidence to accept the hypotheses that customer training in new product improves customer loyalty. The low R-squared values represent a higher difference between the observed data and the fitted values indicating no relationship between the predictors and the dependent variable. Specifically, variables such as, training in product usage, satisfaction with product usage, responsiveness and reliability of staff have p-values of .005, .001, and .000 demonstrating high effect on customer loyalty and provide a strong evidence to accept the hypotheses.

However, the coefficient of regular training of customers has a standard error of .042, t- statistics of .211, and P – value of .833. Therefore, the probability value is greater than .05. That is a P- value of .833 > .05 which provides a strong evidence that regular training of customers does not lead to customer loyalty. Similarly, the coefficient of consistent release of information has a standard error of .031, t statistics of -.657, and a P-value .511 > .05 indicating that consistent information release on new products does not lead to customer loyalty.

The predictable variables that had p-values of .005, .001, and .000 provide a strong evidence that the hypotheses must be accepted. This is an indication that banks should provide some form of training to their customers in the usage of new products to increase customer satisfaction and loyalty. This training is a form of customer service that will affect customer satisfaction and loyalty which is in line with Yarimoglu, (2011), whose study affirmed the effect of customer service on customer loyalty.

**Bank managers response to product usage training for customers**

We had personal interviews with the forty-five (45) managers across the selected banks and it was observed that ten (10) out of the forty-five (45) representing 22.22% seems to be sure of formal training arrangement for customers on new product release. These managers are coming from the top ten banks who seemingly have the resources and capacity to make such arrangements available to their customers. Twenty (20) of the managers representing 44.44% thought that customers who come to the banking hall to seek for help in the usage of new product and are helped, is perceived by the majority of the managers as a form of training to their customers. These managers fall in the category of the average performing banks whose resources are relatively lesser than the best performing banks. Fifteen (15) managers representing 33.33% were not sure or confident of any specific training to customers. These are smaller banks who neither have a large resource base nor the capability to meet the challenges that accompany such training.

**Management implications and training model for banks**

In delivering training to customers, management must release the needed resources to ensure quality training and knowledge sharing on the new product. What is most significantly needed is the capacity to develop training content against tight timelines and process delivery. Management must ensure that employees are trained at all levels taking cognizance of their tight schedule, varying their needs and making sure they are equipped with sufficient information about the new product.

The sales and marketing team have a different perspective in dealing with the customers. Their main concerns are mostly closing the sales and may not be necessarily interested in the technical details. But, once they interact with the customers, they need to be trained not only on the features and benefits of the
product but its usage as well. Management must ensure greater emphasis on buyer personas when training this group but more importantly, the focus should also be on technical details as well. This is to provide the opportunity to train customers on product usage on site.

The support team must be well trained in the new product to enhance their day-to-day customer support and answering of calls on the new product release. They must show competence in responding to customers questions on product usage and this is possible if the team has sufficient knowledge about the product usage. The support team must have good telephone etiquette so that customers can easily understand the issues involved.

Good business etiquette is an important characteristic in facilitating good business relations that can help the banks to attract more customers. Specifically, the art of demonstrating good telephone etiquette must be incorporated into the training programmes of the banks. Well-trained support team, staff, branch staff, and sales team must be polite in their daily interaction with the customers. Important phrases like “please”, “thank you” and “you are welcome” are phrases that underpin the characteristics of politeness and should not depart from the words that they alter; especially when they have to offer help to customers.

Additionally, the banks must develop a customer focus website where information on new product release, product modification, and product augmentation can be announced. Indeed, the use of social media as an engagement tool will facilitate effective customer engagements. The banks can transform consistent online conversations with customers into analyzed data for useful use. The use of digital technologies can provide more value to customers as a result of customers receiving more useful and relevant information on new products. The banks training trail is indicated below:

![Customer training model](image)

**Figure 3.** Customer training model

Source: Ackah’s Construct, (2018)

**Measuring customer satisfaction for new product use**

It is important to ascertain whether the product usage/service achieved customer satisfaction. In this regard, regular customer surveys to measure customer satisfaction with the usage of the new product is necessary. All complaints about the product usage across the bank should be retrieved from the support centres on weekly basis to determine the levels of customer complaints. Specifically, the complaint analysis
should identify gaps in the product usage and provide adjustment and strategies needed to address customers’ complaints as indicated in the product satisfaction model:

![Product Satisfaction Model](image)

**Figure 4. Product Satisfaction Model**

Source: Ackah’s Construct, (2018)

The model represents the customer complaint black box that receives information from the two key dependent variables; product usage content and service delivery content. The former measures product familiarity, maximum utilization of product function, and ease of use, while the latter measures the human element, service tangibles, and brand image of the product. A “no” box indicates negative response which is a gap and needs to be closed; a “yes” box indicates positive response and strategies to consolidate the position. The model depicts that any gap that is identified should provide re-adjustment and strategies to close the gap and if the response is a “yes”, the model provides strategies to sustain the position. Different strategies are suggested to facilitate customer training and monitoring in new product usage.

Other metrics to ascertain product satisfaction are the regular analysis of sales revenues on the product against existing ones; a periodic monitoring of the product sales to establish a trend analysis using time series; a regular review of customer database to ascertain the effect of customer training in the new product on customer retention and customer loyalty.

**Conclusion**

In conclusion, the technological advancement is the key reason why products are changing rapidly and the need to communicate the change to customers has become very crucial. Unfortunately, most banks do not give much attention to training customers on new products because of the cost involved. But the understanding is how to create an effective team to interact with customers; and the ability to identify perennial aspects of the product training; and equipping the teams with an essential understanding in order to cut down cost without necessitating a repeat product training.
The research study has shown that training customers in new product release will not only improve customer satisfaction but increase customer loyalty. When customers are comfortable in using new products there is a repeat purchase of the product and thus increase the sales of the product. The repeat purchase leads to customer loyalty, increases sales revenues, and overall profitability.

**Recommendation**

This study needs further empirical research into the effects of training customers in new product release. Also, there is lack of scholarly works in this subject area and more empirical studies are needed to contribute to the expansion of knowledge in this area.

**References**


Motivation, Productivity Growth, and Business Financial Performance – A Scoping Review Approach to Linkages and Impact

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Abstract

The objectives of this research were to understand the nature of the relationship between three concepts namely, motivation, productivity, and financial performance. To answer the research questions posed, the researcher followed a scoping literature review approach to arrive at only 8 studies which are relevant to this present research. The results from this present research are that (1) the nature of the relationship between motivation, productivity and financial performance is positive. (2), the extent of the impact may not be that great as one study shows that without the inclusion of capital intensity, motivation has no relationship with productivity and financial performance. This research contributed to existing body of knowledge by identifying the nature of the relationship between motivation, productivity and financial performance which has received little attention from researchers.

Introduction

There is plethora of literature which describe individually, the concept of motivation, productivity growth, and business financial performance. Some papers have sort to address motivation in workplace. Others concentrate on factors impacting on employee productivity and many papers on factors influencing business financial performance. While many papers address these concepts individually, we could not find many which look into the linkage between these three variables such as, Motivation, Productivity and firm Financial performance. Thus, there is a gap in literature which needs to be addressed. We therefore intend to fill this gap by putting the pieces together from various sources of research using scoping review approach.

Research objectives

Given the limited knowledge in the area of the linkage between motivation, productivity and firm financial performance, the focus of the paper rests on the following objectives

- To understand the nature of the relationship between motivation, productivity and firm financial performance
- To assess the extent to which the variables impact on one another

Research questions

Following the objectives set for this research, the questions to focus on are as follow:

1. What is the nature of the relationship between motivation, productivity growth, and financial performance?
2. To what extent does motivation, impact on productivity growth and business financial performance?

Research rationale

This research is produced in response of a capstone research required to address three individual modules which are

- Management Principle and Organizational Behavior, (represented by Motivation)
- Business Accounting and Financial Management (represented by Financial Performance)
- Production and Operations management (represented by productivity growth)
This research will therefore be useful to operations managers, HR Managers accounting and finance departments as well as strategic managers in decision making

Research structure

In order to properly address the objective of this research, the following is followed. Section 2 introduce the concepts of motivation, productivity and financial performance, as well as their theoretical background. Section 3 describes the methodology used. Section 4 identifies and synthesizes the relevant theoretical literature on how the concepts link to one another. Section 5 tries to make sense of the pieces of information gotten by presenting them in charts and tables. Section 6 collates, summaries and reports findings. Lastly, section 7 identifies the limitations of the study and recommends areas for further study

Conceptual framework

This section is dedicated to the explanation of the individual concepts (Motivation, Productivity and Financial performance) which are of interest to this paper

Motivation

Motivation is probably one of the most renowned topics in the study of organizational behavior. Why people do what they do and do it very well is termed as motivation. According to Shields (2007), motivation is the source of job behavior or strength, and it denotes the power of an individual’s inclination to actualize a given task. The workplace today’s requires motivation. The necessary drives given to employees that assist firms to attain major competitive edges, improved efficiency and of course overall improvement in profitability. Motivation plays a fundamental role in all entity. It can be adopted as an instrument that reveals the state at which workers and the entire organization is performing. Most manager in every organization face workplace challenge such as lack of employee morale or dedication, late delivery declining levels of productivity (Surridge & Gillepsi, 2015). Others are poor quality outputs from the workers and in extreme cases high labor turnover.

In trying to come up with best methods of motivation people, many theories have emerged. Some of which can be categorized as content theories and others process theories. Other papers also differentiate between intrinsic and extrinsic motivation. Some of the notable content theories of motivation are Taylors theory of money as a sole motivator of people to work, Maslow’s Hierarchy of needs which argue that people can only be motivated by things they do not already have, and Herzberg two-factor theory which argue that money does not motivate people to work, it only removes dissatisfaction at work (Surridge & Gillepsi, 2015). Herzberg argues that what motivates people are things like responsibility, empowerment, promotion and the need for self-actualization. On the other hand, process theories of motivation are those which talk about the processes involved before people are actually motivated. Vroom's Expectancy theory is one of the notable process theories highlighted in Bobby (2015). Vroom argues that motivation can only occur if three conditions are met. (1) the employee has an expectation from the employer. (2) He believes that achieving the outcome or targets will lead to his expectation, and (3) believing that he can achieve the desired outcome or target. Other authors explain that motivation can be achieved intrinsically (doing something because of the satisfaction derived from the doing it) and Extrinsically (doing something because of an associated reward). These authors opine that the best methods of motivation should address it both intrinsically and extrinsically (Surridge & Gillepsi, 2015). Nonetheless, haven introduced the concept of motivation, it is necessary to highlight the role of motivation in organizations

Productivity

According to Harari (2015), productivity growth can simply be defined as the increase in output per employee. Producing more with available scarce resources has been the struggle of managers since the beginning of industrialization. Increasing output without a corresponding increase in inputs reduces cost of production which in turn increases profits, described in Kafouros (2005) as productivity growth. In addition,
productivity can be said to represent how efficiently inputs (labour, capital, materials) are utilized in the production process (Kafouros, 2005).

Harari (2015) has proven that productivity growth is essential for businesses growth. Thus, the benefits from productivity growth has caused employers, corporations and government bodies to take as several measures as necessary to ensuring that productivity is constantly on the increase. There are several ways of achieving productivity growth commonly used by operations mangers. They include investment in equipment and technology, increasing the number of hours worked, training, changing the way work is done, and finally through motivation of employees. In this research, the link we are looking for is that with motivation

**Business financial performance**

Business Performance can be measured both financially and non-financially. Financial performance takes an accounting approach to business success like profitability, liquidity, etc. While non-financial performance takes the form of managerial assessment of factors such as customer satisfaction, employee satisfaction, innovation ability, etc. Thus, and accounting view of business success takes a more objective dimension. The business financial (Accounting) performance and non-financial indicators frequently used are illustrated on table 1 below, extracted from the work of Santos & Brito (2012)

**Table 1. Performance dimensions and indicators**

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Selected Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profitability</td>
<td>Return on Assets, EBITDA margin, Return on investment, Net income/Revenues, Return on equity, Economic value added</td>
</tr>
<tr>
<td>Market Value</td>
<td>Earnings per share, Stock price improvement, Dividend yield, Stock price volatility, Market value added (market value / equity), Tobin’s q (market value / replacement value of assets)</td>
</tr>
<tr>
<td>Growth</td>
<td>Market-share growth, Asset growth, Net revenue growth, Net income growth, Number of employees growth</td>
</tr>
<tr>
<td>Employee Satisfaction</td>
<td>Turn-over, Investments in employees development and training, Wages and rewards policies, Career plans, Organizational climate, General employees’ satisfaction</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>Mix of products and services, Number of complaints, Repurchase rate, New customer retention, General customers’ satisfaction, Number of new products/services launched</td>
</tr>
<tr>
<td>Environmental Performance</td>
<td>Number of projects to improve / recover the environment, Level of pollutants emission, Use of recyclable materials, Recycling level and reuse of residuals, Number of environmental lawsuits</td>
</tr>
<tr>
<td>Social Performance</td>
<td>Employment of minorities, Number of social and cultural projects, Number of lawsuits filed by employees, customers and regulatory agencies</td>
</tr>
</tbody>
</table>

Table Source: (Santos & Brito, 2012).

The work of Al-Jarrah, & Tarhini (2015) classifies the three first categories such as profitability, market value and growth as financial performance indicators, while the rest as non-financial performance indicators. Consistent with this, IGIGlobal (2018) also enumerate indicators such as revenue, return on equity, return on assets, profit margin, sales growth, capital adequacy, liquidity ratio, and stock prices as commonly indicators to evaluate the financial performance of organisations. Thus, interest on this present research are on papers which seek to address the link between these financial indicators with other variables of interest such as motivation and productivity.
Theoretical enquiry into motivation, productivity growth and financial performance

There is a plethora of literature on the close relationship between motivation and employee performance (in terms of productivity). However, only a few papers have found a connection between motivation and organizational financial performance. The link between productivity itself with financial performance has also been explored by just a very few papers. In this section, we examine these theoretical backgrounds.

It is widely known among organizational behavior researchers that motivation enhances employee performance at work thus, increasing productivity. It is believed that when employees are happy with their job, they will do extra which in turn increases productivity at work. Motivation is about those things that push you to do what you do, and do it very well (Surridge & Gillespi, 2015). If that is the case, then performance has something to do with motivation. Many academic papers have proven the relationship between motivation and performance empirically. For instance, Afful-Broni (2012), and Said, Zaidee, Zahari, Ali, & Salleh, (2015) provide strong argument for such relationship with empirical evidence. Mathematically, the relationship is represented as, \[ \text{Performance} = F (\text{Ability} \times \text{Motivation}) + \text{error term} \] (1) Where, the error term are other factors which cannot be controlled by the individual which also influence performance. E.g. weather conditions, type of technology used by the organization, etc. Surridge & Gillespi (2015) further adds that motivated workforce will exhibit low absenteeism, low labour turnover and high level of productivity. Thus, a business that enjoys the benefit of a highly motivated workforce is also likely to have a productive workforce. As productivity increases, this will translate to low production cost. Low production cost could mean two things for a business. Firstly, the business will be able to sell their products at a competitive price thus, increasing revenue. Secondly, the business can maintain their price level and enjoy greater profits. Both of these performance indicators (sales growth and profit) are those grouped under financial performance by IGIGlobal (2018), and Al-Jarrah, & Tarhini (2015) . Thus, one can appreciate the interconnected between motivation, productivity and financial performance. Nevertheless, while the link between motivation and productivity growth has been widely examined, as well as productivity growth and financial performance, little attention has been given to motivation and firm financial performance. Therefore, this present research seeks to explore the evidence available for the interconnectedness between motivation, productivity growth and business financial performance.

Methodology

The main objective of this research is to assess the interconnectedness between motivation, productivity growth and financial performance of businesses. Two research questions were specified in section 1 to address the objectives set. To address the research questions posed, the author used newly introduced scoping review approach. This meant that several online data bases such as EBSCO Host, Science Direct, and Business Source Complete were used to gather papers on the topic. The search text was ‘Motivation, and Productivity, and Financial Performance’. Over 10,000 search results were found. The author narrowed it down by first eliminating papers which focused only on 1/3 of the subjects of interest. That is, papers which do not have words such as productivity and financial performance or motivation and productivity, or at least, any 2/3 from the search results. The author furthers goes through the abstracts of the retained papers to further select the most suitable papers for the topic. Thus, the author arrived at only 8 out of initially planned 10 suitable papers for the analysis. This approach to research is consisted with the idea of Arksay & O’Malley (2005), described in (Dijkers, 2015). According to the authors, scoping review aims to map rapidly the key concepts underpinning a research area and the main sources and types of evidence available, and can be undertaken as stand-alone projects in their own right, especially where an area is complex or has not been reviewed comprehensively before.

Dijkers (2015) further differentiates scoping review from a systematic review by stating that (1), a systematic review might typically focus on a well-defined question where appropriate study designs can be identified in advance, whilst a scoping study tends to address broader topics where many different study designs might be applicable. (2), the systematic review aims to provide answers to questions from a relatively narrow range of quality assessed studies, whilst a scoping study is less likely to seek to address very specific
research questions nor, consequently, to assess the quality of included studies. The below figure shows the steps described by Arksey & O'Malley (2005) for authors wishing to undertake scoping review to follow, which this present study has followed.

**Steps for undertaking a scoping review as outlined in arksey & o’malley (2005)**

1. Identify the research questions: what domain needs to be explored?
2. Find the relevant studies, through the usual means: electronic databases, reference lists (ancestor searching), websites of organizations, conference proceedings, etc.
3. Select the studies that are relevant to the question(s)
4. Chart the data, i.e. the information on and from the relevant studies
5. Collate, summarize and report the results
6. (Optional) consult stakeholders (clinicians, patients and families, policy makers, or whatever is the appropriate group) to get more references, provide insights on what the literature fails to highlight, etc.

Because of the time and money involved in step 6 which is optional, Dijkers (2015) opines that authors have generally skipped that step to stop at step 5. Thus, our research also stops at step 5. Nevertheless, scoping review method has been criticised for its lack of quality assessment of papers included in the review and its lack of methodological quality assessment of of studies used (Peterson, Pearce, Ferguson, & Langford, 2017). Nonetheless, we found the scoping review approach suitable for the this research for the following reasons. Firstly, our interest is not with the quality of papers or methodological frameworks, but on the actual information and results reported. Secondly, our topic (relationship between motivation, productivity and financial performance) is a broad area which is also not a widely researched area thus, scoping review has been recommended by Dijkers (2015) for this type of research topic.

**Synthesis and analysis of relevant studies**

A total of 8 relevant studies were found which are useful to this research. Information regarding these studies are presented in this section.

The first paper is Huselid (1995). This paper is relevant as it studies 3/3 of the variables of interest. That is, it assesses the interconnectedness between motivation, productivity and financial performance. The author used OLS and Two-Stage Least Square regression analysis to assess the impact of human resource practices (e.g. motivation) on variables such productivity, and the profitability of the businesses for a sample 3,452 US firms representing major industries. The paper finds that motivation increased productivity of employees as well as the financial performance of the business.

The second selected paper is Hubbard (2014). This paper is also significant to this present study. The three key words, motivation, productivity and profit appeared on the paper (3/3). The author documents survey results undertaken by PTD among South African workers. The survey sampled 1000 participants using questionnaire and secondary sources to get information on how levels of motivation affects productivity and the organisations profits and also reports similar findings to that in Huselid (1995). Specifically, Hubbard finds that organisations with engaged workforce had up to 6% higher net profit. Thus arguing that motivation has positive relationship to both productivity and financial performance of businesses.

The third selected paper is Richard & Johnson, (2001). This paper also investigates 3/3 of our interested areas. The authors surveyed 73 employees of banks in California and Kenturkey. Secondary sources of data on financial measures was also obtained and Hierarchical regression analysis was used to test hypothesis developed around motivation, productivity and financial performance. In contrast with previous findinds, motivation was found not have any relationship with productivity and financial performance. This result appears rather unique and substantially different from other studies. Although the paper reports that motivation only affected both productivity and return of equity (financial performance) when moderated by capital intensity.
This however makes sense as productivity of employees may also depend on the state of technology used which in turn may impact on firm costs.

The 4th paper of interest is Ionescu (2017). This paper only encapsulates 2/3 of the variables of interest. It only investigates the relationship between productivity and business financial performance. However, the paper is still relevant to this study as our interest is to gather enough evidence about the relationship among the three different areas of study. Ionescu (2017) used theoretically based empirical research to review the work of Grifell-Tatjé and Knox Lovell (2015) on productivity accounting and financial performance and finds that productivity is a significant contributor of firms’ financial performance.

The fifth paper selected is Terpstra & Rozell (1993). This paper captures only 2/3 of our topic areas. The authors focused only on HR motivation practices and business financial performance. The paper is also relevant as our inclusion criteria is minimum of 2/3 of the topics of interest. Terpstra & Rozell (1993) surveyed 201 heads of HRM departments from 1000 organisations in U.S and further obtains secondary data for the financial performance indicators used. The data was subjected to hierarchical regression analysis and results show significant positive relationship between motivation and both annual profits and profits growth across all the industries in the sample.

The 6th paper of interest is Heymann (2011). The paper meets 3/3 of the topic areas of interest. The author interviewed CEOs of different companies around the world, Norway, U.S, Canada and South Africa and documents findings on the relationship between motivation, productivity and financial performance. The paper also reports a positive relationship between motivation, productivity and business financial performance.

The 7th paper is Schiemann, (1987). The author also investigates 3/3 of our areas of interest. The work is a literature based research but no methodological approach is mentioned on the paper. Nevertheless, the paper also reports a positive relationship between motivation, productivity and business financial performance.

The 8th paper of interest is Ravichandran & Bano (2016). The authors used a meta-analysis approach to investigate 2/3 of our research interest. Specifically, they investigated the relationship between motivation and productivity and also report a positive relationship. Although the paper mentioned firm performance, it does not state whether this is financial and non-financial performance as such, this research cannot assume this is financial performance thus, we record only motivation and productivity which is 2/3.

Charts of data/information collected from selected relevant studies

From the information gathered on the nature of the relationship between motivation, productivity and financial performance, the following charts below are constructed.

Table 2. Papers used and results obtained

<table>
<thead>
<tr>
<th>S/N</th>
<th>Paper</th>
<th>M+P 2/3</th>
<th>M+FP 2/3</th>
<th>P+FP 2/3</th>
<th>M+P+FP 3/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Huselid (1995)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Positive</td>
</tr>
<tr>
<td>2</td>
<td>Hubbard (2014)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Positive</td>
</tr>
<tr>
<td>3</td>
<td>Richard &amp; Johnson (2001)</td>
<td>Positive</td>
<td>-</td>
<td>-</td>
<td>Positive upon addition of capital intensity</td>
</tr>
<tr>
<td>4</td>
<td>Ionescu (2017)</td>
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<td>5</td>
<td>Terpstra &amp; Rozell (1993)</td>
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<td>-</td>
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</tr>
<tr>
<td>8</td>
<td>Ravichandran &amp; Bano (2016)</td>
<td>-</td>
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</table>

M = motivation, P = productivity, FP = financial performance
The objectives of this research have been to understand the nature of the relationship between three concepts namely, motivation, productivity, and financial performance. From the objective, two research questions were posed which are, ‘What is the nature of the relationship between motivation, productivity growth and financial performance?’ and ‘To what extent does motivation impact productivity growth and financial performance?’ To answer the research questions posed, the researcher followed a scoping literature review approach to arrive at only 8 studies which are relevant to this present research.

The results from this present research are that (1) the nature of the relationship between motivation, productivity and financial performance is positive. This means that increased motivation will lead to increases productivity and increased business financial performance. For the second question (2), the extent of the impact of motivation on productivity growth and business financial performance may not be very great as one of the studies reviewed shows that without the inclusion of capital intensity, motivation has no relationship with productivity and financial performance. The implication of this findings that both strategic managers, HR managers operations mangers and accounting departments have to work together and integrate strategies for business success.

**Limitation of research and recommendations for future studies**

The limitations of this study are those associated with the scoping review approach. Firstly, its inability to carry out empirical investigation. Additionally, no quality assessments were conducted in order to eliminated papers found wanting. Thirdly, although it optional, no consultation of professionals in the field was done to determine definition of terms used in the work or type of papers and materials to be included. Thus, it is recommended for further studies to adopt a different approach, preferably an approach which would allow for empirical investigation in order to assess the topic.
Reference


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Abstract

As situations and industrial circumstances turns out to be more sophisticate and dynamic, the companies and organizations should adopt supplementary entrepreneurial measures so as to recognize and seize new opportunities and maintaining high quality throughput. In this context, corporate entrepreneurship (CE) is defined as the organizational learning which is motivated by creative thinking, collaboration, coordination and personal dedication. Thus, it can be considered that the HRM (Human resource management) plays an important role for contributing success. This paper provides an analytical research which investigates the connection between HRM practices and CE. This shows that HRM can motivate and contribute to development of entrepreneurship in the company. Therefore, the HR managers must implement developmental policies to assure that their human workforce is appropriately rewarded, compensated and encouraged. This greatly helps in improving their performance which further results in high throughput that guarantees overall profitability and betterment of the organization.

Keywords: HRM Practices, IT zone, Corporate Entrepreneurship.

Introduction

The fundamental objective of Human Resource Management (HRM) policies in any current business trends are focused on people-oriented activities, as the competitive market and constantly changing consumer trends have forced to rethink about the HRM practices. Human Resources (HR) can be considered as the aptitudes, skills, knowledge, wisdom, creative proficiencies, spontaneity and adaptability derived from the population or the entirety of all intrinsic capabilities, gained knowledge, expertise and skills as characterized in the aptitudes and talents of its employees. HRM is a vital functional component of management and it is mainly focused on the management of the Human Resources and workforce of the organization. The essential goal of the HRM is the building and retaining healthy and progressive employee connections for fulfilling the mission of the company.

Additionally, HRM is focused on achieving the most ideal outcomes through effective employee practices in the company. Tatikonda, M.V., and Rosenthal, S.R. (2000) contend that HR practices support an adequate set of activities and tasks that needs variety of skill-set and expertise, ranging from remuneration and employee benefits (highly quantitative) to employee relations (highly qualitative). As a result, there are constant debate about whether these practices must be integrated with organizational schemes and plans under new technological advances and practical working conditions. Plummer, P., and Taylor, M. (2004) asserted that a business setting that assures least benefits and profits are not an adequate condition for survival of the organization. Rather, it must provide a social foundation, over which, the individuals and groups can build a progressive work environment.

Likewise, entrepreneurship is also described to be a course of creating a new object of value through constant dedication, determination, while understanding the associated risks and consequences in terms of economy and social risks, and finally enjoying the benefits through financial gains, personal gratification and liberation (Kuratko, D.F., Hornsby, J.S., and Goldsby, M.G. 2004). This procedure empowers the business in creating value by recognizing the market opportunities and making remarkable mixtures of available assets to seek after those opportunities (Allen, S.D., Link, A.N, and Rosenbaum, D.T. 2007).
This indicates that for a company to survive the harsh and challenging business environment there is a compulsive requirement for capturing the context of human resources in supporting the development and enhancement of entrepreneurship in the business firms for achieving good market results.

Dakhli, M. and De Clercq, D. (2007) highlighted that HRM practices doesn’t influence the organizational performance straightforwardly, rather it assists in assembling intellectual capital that can result in better organizational value. In this manner, so as to appreciate this admirable result of entrepreneurship, each business association human capital must be well planned, sorted out, organized, chosen, prepared, created, evaluated and appropriately remunerated in the best possible means that will bring about the progress and advancement of the desirable core skills and aptitudes which provides great assistance to create good organizational value. Therefore, the organizations must plan its human capital appropriately, so that it will create a strong foundation of competitive advantage (Honig, B. 2001)

In current context of analysis, this study aims to examine the effect of HRM policies on the entrepreneurship development on a typical business environment. The rest of the sections in this paper present a brief review on current literature, research trends, results, conclusion, and suggestions/recommendations.

Aims and objectives

The aim and objectives of this work is not to replicate any of the already made work conducted which emphasizes on the work of human resource Management. This study aims to critically analyze some of the various ways human resources work is being initiated in our work places which will ensure future growths of human relation. However, the evidence is lacking in relation from knowledge to understanding and implementation of human relation guidelines. The aim of the studies will also identify learning needs of HRM unit in providing an evidence base approach to the managing of human relation.

Review of literature


Anker, L.V. (2006), published a paper on “HRM in India: Where from and Where to?” The researchers have presented a solid evidence of the financial companies and managerial concepts antique Indian sources with persistent customs and traditions that believes in the context of existing challenges. They further focused on the “demographic dividend” which explained about a new trend in the HR thoughts and practices in India (Anker, L.V. 2006).


Lumpkin, G.T., and Dess, G.G. (2001) published his work titled "sustaining Intrapreneurship: Think like a VC, demonstration like a business visionary". The author has highlighted the tactics to boost entrepreneurial approach among the corporate administrators in order to assist them in investigating the approaches such as a VC and afterward to carry out with the primal and uncontrolled passion of an entrepreneur (Lumpkin, G.T., and Dess, G.G. 2001).

"The quality of HR hones in India and their consequences for worker vocation achievement, execution, and potential", was published by Marvel, M.R., and Lumpkin, G.T. (2007). This work gives an idea of innovative career administration techniques, which is much needed for the development of internal entrepreneurship (Marvel, M.R., and Lumpkin, G.T. (2007).).
Shrader, R. and Siegel, D.S. (2007), presented a paper on “The relationship between trust, HRM practices and firm performance”. This works suggests the roles of HRM in establishing supportable entrepreneurship and describe the relevant HRM techniques, practices and strategies.

During a survey of existing research on the HRM practices and Corporate Entrepreneurship, it was found that there were no works in IT sector particularly in Karnataka. The IT industry has turned out to be a vast economic power house of India, which provides several types of career opportunities to numerous individuals. In present scenario, the IT industry has progressed into an improbable, belligerent and they demand for efficient human resources practices.

In current trends of IT business, the industry needs talented man power that can be more creative and think over the limit to come up with fresh ideas and concepts for rapid business development and profitability. In such situation, HRM strategies become essential to encourage entrepreneurial behavior and development. We contend that various HR roles and responsibilities like staffing, training, career counseling, performance evaluation, remuneration, motivation, etc., have a profound influence on the advancement of entrepreneurial behavior in IT employees. Our supposition is investigated through survey and the results are analyzed to check the validity of our hypothesis.

A few research works concentrate on the effect of HRM strategies on the advancement and innovative development of entrepreneurship, which is the crucial purpose of business enterprise. In a particular research, Zahra, S.A., and Covin, J.G. (1995) inspected the connection amongst HRM and advancement in Greece. This study described that the human capital investment incentives for innovation are of critical significance for overall technological advancement. Likewise, Kemelgor, B.H. (2002) presented a new HRM strategy which suggested that teamwork, collaboration and performance related compensation will induce a collaboration influence on innovation when they are implemented together.

Research methodology

This research employs quantitative research approach to accumulate first-hand information. This study is an empirical investigation based on exploratory study design followed by contributory research to study the HRM practices that influence the corporate entrepreneurial behavior among personnel working for IT sectors, Karnataka, India.

Data sources

For the purpose of accumulating data pertaining to HR practices, and developmental measures for employee and organization, both primary and secondary data sources have been used such as books, magazines, internet sources, e-books, conference proceedings, academic articles, company reports and many more.

Primary data can be gathered through survey questionnaires by framing six closed ended questions. Likert scale rating key is used for the survey questionnaire, such as 1=strongly disagree, 2 =disagree, 3=neutral 4=agree 5=strongly agree,. Secondary data can be gathered through existing sources like, current research, journals, websites, books, Conference proceedings, Articles, company reports, Newspapers, magazines, etc.

Sampling framework

The process of primary data accumulation is carried out through Simple Random sampling method. 51 participants were selected from 3 different IT companies from Karnataka, India, and questionnaires are distributed among them. These participants are mostly from HR department.

Data analysis

With the help of SPSS software, Pearson correlation, Regression and ANOVA statistical analysis techniques are implemented, which helps in verifying the influence of HRM practices towards symbiotic development of employee and organization.
Results

Correlation analysis

<table>
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<tr>
<th></th>
<th>RS</th>
<th>TN</th>
<th>CF</th>
<th>CGO</th>
<th>APAM</th>
<th>CR</th>
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<td>RS</td>
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<td>.002</td>
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<td>.604**</td>
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</table>

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


Pearson correlation method was applied to prove the correlation between practices of human resource management and corporate entrepreneurial behavior. Pearson correlation of corporate entrepreneurial behavior with practices of human resource management that is Recruitment and Selection (r=.538) Training Needs (r=.904), Constructive Feedback (r=.604), Providing Career Growth Opportunities (r=.712), Apparent Performance Appraisal Method (r=.808), Compensation Remuneration (r=.743), show signs of an active correlation. The fallout point out that each and every variables are mathematically significant at (p<.05).
Regression analysis

ANOVAa

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<th>F</th>
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<td>Residual</td>
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<td>Total</td>
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<td></td>
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</table>

a. Dependent Variable: IB
b. Predictors: (Constant), CR, CF, CGO, RS, APAM, TN

The above ANOVA table represents the significant P value as < 0.05; this point towards that the model is significant statistically.

Regression analysis model summary

Model Summaryb

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<th>Model</th>
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<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
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<td>.930</td>
<td>.921</td>
<td>.184</td>
<td>.930</td>
<td>97.962</td>
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</tbody>
</table>

a. Predictors: (Constant), CR, CF, CGO, RS, APAM, TN
b. Dependent Variable: IB

Result analysis

Coefficient of resilience particularly Adjusted R² Value (0.921) shows 92% difference in is development of corporate entrepreneurial behavior attributable to the projected model. It confirms that practices of human resource management i.e. Recruitment and Selection, Training Needs, Constructive Feedback, Providing Career Growth Opportunities, Apparent Performance Appraisal Method, Compensation Remuneration have a fruitful impact on rising corporate entrepreneurial behavior among human resources. Accordingly, it is documented that independent variables openly HRM practices contribute hopefully towards renovation in the dependent variable i.e. corporate entrepreneurial behavior.

Conclusion

The major goal of this study was to do research on the practices of human resource management that impact the corporate entrepreneurial behavior among Techies. The mathematical upshot obtained in this study established that mechanisms of HRM have a significant positive impact on development of corporate entrepreneurial behavior among human resources. On the most successful practices of human resource management that is training initiated to have direct impact on development of corporate entrepreneurial behavior. This end result insisted that when organizations have highly developed level of training, it will perk up the development of employee’s vital capabilities and their potential to increase knowledge. Employees are proficient to form new perceptive and innovative ideas that will be useful for organizational innovation.

Performance appraisal, on the other hand found to have direct impact on development of corporate entrepreneurial behavior. Fair and apparent performance appraisal methods absolutely will excite employees towards their jobs. High drive will make easy to enhance employee’s passion to bring about innovative ideas in an attempt to boost organizational innovation.

Practices of HRM for instance career administration, compensation remuneration, recruitment practices were found to have direct positive impact on development of corporate entrepreneurial behavior among employees.
Recommendations

The obtained experimental results provide several substantial managerial propositions. First and foremost, the administrator can make every attempt to enrich product innovation by providing necessary training programs related to technology of the product. Administrators must establish a way to permit the employees to gain and absorb assorted varieties of skills and knowledge from various sources through company partners and internal and external training schedules. They must further facilitate sharing and transfer of knowledge from one person to other, within the company. With proper facilities, the employees can gain more skills and become more efficient in addressing work related issues. The administrators must encourage the employees to gain, transfer, and apply their skill set and knowledge, to fulfill the criteria for positive performance evaluation, as it can get very competitive. Hence, such knowledge enrichment through proper training will ensure greater talents and innovation skills. Secondly, it is essential for IT industries to carry out performance evaluation on their employees. This helps in strengthening the devotion and enthusiasm of employees, and keeps them motivated.

References

Transforming a Small and Medium Enterprise (SME) into an Enterprise Beyond SME level: A Case Study of Mwaiteka Investment

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Abstract

The SMEs are spread across the country and their social-economic contributions to the communities in which they are found cannot be ignored. Mwaiteka Investment, an enterprise where the study was carried out, is one of these SMEs that are found in Kabwe, Zambia. This enterprise has been in business for over 18 years and has not grown, a situation which has brought a lot of concerns and hence the need for this study to find out why the enterprise has not achieved any growth.

The stagnation in growth of the enterprise is a big challenge which needs to be addressed because of the enterprise’s contribution to the national development. If this challenge is addressed the enterprise will reduce the unemployment and poverty levels further in the country and also contribute more to the national treasury.

The study collected data using research tools such as interviews, observations and data from enterprise’s records. The data was analysed using descriptive analysis and the study then came up with findings, and conclusions. Some of the findings from the study indicated that poor entrepreneurial and enterprise culture, inadequate resources, lack of credit facilities, lack of skilled and experienced manpower, Business Development Services (BDS) programmes too expensive were some of the factors which could have contributed to challenges the enterprise was facing.

Keywords: SMEs, Innovation, Growth, Culture.

Introduction and background information

Zambia is a developing country like many other African countries; its economy before 1991 was mostly controlled by the government which owned parastatal companies. The parastatal companies were not performing well and the government decided to change the way the economy of the country was being managed and in 1991 the government liberalised the economy. The liberalisation resulted in most of the state-owned companies being privatised.

In supporting the creation of small-scale enterprises, the government of Zambia enacted the Small Enterprise Development Act in 1996. The act led to the creation of the Small Enterprise Development Board (SEDB) which was mandated to promote and facilitate the creation and development of micro and small enterprises in the country. Arising from the act, the government came up with policies that were to stimulate and encourage the creation of small and medium enterprises (SMEs) which the government embraced as partners and the most preferred route to alleviate poverty in the country and delivering the most needed economic growth to all parts of the country. Over the years the government has put a lot of emphasis on the development of small and medium scale enterprises and it recognised the importance of the SMEs in the creation of employment and poverty alleviation. The enabling environment that the government has created for the formation of these small enterprises has seen many enterprises being set up. These enterprises have been playing a very important role in the economic development of the country. The Zambian government attaches a lot of commitment to the wellbeing and growth of this sector considering their massive contributions in job creation and poverty alleviation. Small and Medium Enterprises (SMEs) cut across all sectors of the economy and provide the much-needed employment, not to mention the breeding ground for medium and large industries, which are critical for the national development.

Despite the government’s efforts and support it has been giving to the sector, the growth of these SMEs has not been impressive and most of them have reached a stage where further growth is not likely to take place unless other hindering factors are identified. The Zambian government has created an
enabling environment for the creation of these enterprises in response to the recommendations that were made by International Labour Organisation (ILO) conference of 1998. The conference stressed on the importance of member states coming up with a policy framework that encouraged the creation of an environment that was conducive for this particular sector (ILO website).

This sector still faces a lot of challenges due to the liberalisation of economy and globalisation. The SMEs are under intensive pressure from the established and international companies and are therefore subjected to international competition. The policies that were put in place in the early 1990s opened up the country’s internal markets and exposed these SMEs to this competition. There is need therefore in the country to revisit some of the policies and come up with appropriate policies and strategies that will stimulate the growth of SMEs and enable them to compete with these companies. Lack of appropriate policies and other support services that target the SMEs might have affected the growth of this sector and their survival in a competitive environment.

This research was carried out at Mwaiteka Investment an SME based in Kabwe, a town that is situated in the central province of Zambia. This company is owned by one entrepreneur and it manufactures steel products such as door frames, Window frames, steel chairs and many other steel products plus construction of steel structures. The enterprise was established in 1994 with two employees and the owner as the director and since then the company has been in operation. The company now has eleven employees plus the director. The biggest challenge that the company has faced since its inception is lack of growth, in that it has not performed very well in terms of expanding its operations and also diversifying.

The research is expected to provide new knowledge in terms of other measures that have not yet been looked at by this particular enterprise. The research topic has aroused interest because everyone in the country would want to see massive contribution of this sector to the national development in terms of reducing unemployment levels and paying taxes. This research therefore will focus on transforming a stagnant Mwaiteka Investment, an SME, into an enterprise that can grow beyond SME level.

Statement of the problem

The problem which this study wishes to address is the transformation of a stagnant Mwaiteka Investment, an SME situated in Kabwe town, into an enterprise that can grow beyond SME level. The contribution of Mwaiteka Investment to the national development was supposed to be very high in terms of creating jobs and poverty eradication. There have been some efforts to address the development of the SMEs and their growth to other levels by the government and other stakeholders but that had not been achieved fully and Mwaiteka enterprise was one of those enterprises that had not benefited much from the government and other stakeholders.

Kabwe town was once a mining town that used to contribute massively to the economic development of the country. The town was well known for being the only mine for Zinc and lead in the country. The mine was closed in 1994 when it was felt that there were no more Zinc and lead deposits to mine. The town became a “ghost town” as it was popularly being referred to by the citizens. It earned that name because all the social and economic activities in the town were badly affected by the closure. The mine was a major employer in the whole province and Kabwe in particular. It was after the closure of the mine that some of the former employees of the mine became entrepreneurs and opened up enterprises. It is these entrepreneurs that have managed to rekindle the town once more. Kabwe is no longer a ghost town but a town with a lot of SMEs that are contributing to the economic development of the country.

Mwaiteka investment was one of those SMEs which were established after the closure of the mine in Kabwe. The enterprise has not grown much from SME level since its inception in 1994 despite the much-purposed efforts by the government and other stakeholders to make the SMEs grow.

There are a number of factors that affected the growth of Mwaiteka Investment, these included work culture, the skill levels of the employees, the management of the enterprise, marketing skills, capitalization- the ease with which the enterprise was able to access capital, networking, provision of business development services (BDS) and strategic planning. If these factors were tackled well, they will eventually influence the size of the enterprise in terms of increase in employees, sales, assets, and profits as well. Mwaiteka Investment just like any other SMEs has great potential to contribute to the economic development of the country if it was harnessed well.
The role of mwaiteka investment in the national development

In a developing country like Zambia, the role of an SME like Mwaiteka Investment is enormous. Apart from manufacturing and supplying metal products to customers, it has empowered some Kabwe residents by offering employment to some of them. The number of employees may look small but they look after many family members, on average six (6) family members per employee. The enterprise contributes to the economic development of Kabwe town and the country as a whole.

The most interesting element about Mwaiteka Investment is that it is located within Kabwe and apart from creating employment for the local people it has also assisted the employees and the Director/Owner to eradicate poverty. The contribution of the enterprise in Kabwe town is great and could be summarised as follows:

i. Created employment
ii. Pay taxes to the local authority
iii. Provide the service within town
iv. Poverty eradication for the employees and their family members
v. Economic empowerment of the Director/Owner and employees who are Kabwe residents.

The above benefits have contributed to the economic activities of Kabwe town that have gone up after the closure of Kabwe Mine in 1994. When the economy of the town picked up many people were empowered economically. This is also pointed out by Kanyama, (2010), who says when an economy grows it increases economic activities and money increases in the pockets of certain individuals.

Objectives of the study

The following were the major objectives of this study:

i. To transform the stagnant Mwaiteka Investment into an enterprise that can grow beyond SME level;
ii. To identify the challenges hindering Mwaiteka Investment from growing beyond SME level.

Significance of this study

The study critically analysed all the factors that influence growth through literature review and also from Mwaiteka Investment as an SME where the research was carried out plus other stakeholders

The findings of this research would very much benefit Mwaiteka Investment, other SMEs that are in similar business, the government, the Non-Governmental Organisations (NGOs) that support SMEs, the aid agencies, the business community and the people at large. These findings would also aid the government and other stakeholders to realign their policies and tackle this particular problem differently by considering some of the recommendations that the research will come up with. The study will also contribute to the existing literature on SMEs in the country.

Limitations and delimitations of the study

The study was undertaken as an action research and was only carried out at Mwaiteka Investment where the researcher mingled with the director and his employees plus other stakeholders such as customers of Mwaiteka Investment. The researcher was granted permission by the director/owner of the enterprise to visit the enterprise any time he felt like interviewing, chatting, observing and also checking through some records of the enterprise. The researcher during the time of the study became part of the enterprise in the sense that he was like a member of staff in the enterprise.

Literature review

The review of some of the relevant works so far that have been done by other researchers and authors of books that have added a lot of knowledge to this area of study with much emphasis on the growth of small and medium sized enterprises was carried out.

Growth

The growth of an enterprise can be defined in terms of number of employees or percentage growth in sales. Graduation of a firm from one level to the next is an indicator for growth. The increase in the number of employees is an indicator for enterprise growth and it is also used as an
economic growth indicator (Kirchoff, 1991). For the entrepreneur, growth can serve as an indicator for success and doing well in business. Enterprise growth is usually expressed in terms of growth in sales. According to Shane, (2005), sales growth increases profitability and the likelihood of an initial public offering, as one would expect given the expansion from a small scale to another level. Growth is an important measure to use when assessing the performance of an enterprise. The other measure that can be used to indicate whether an enterprise is performing well is the income which is a surplus of revenue over costs. According to Kanyama, (2010), on small business enterprises, lack of entrepreneurial skills or the ability to seek out opportunities and turn them into profitable businesses has been attributed to be one of the factors that hamper growth of small businesses in Zambia.

Researchers have shown that small businesses have a lot of potential for growth and are able to grow faster than large businesses. This is so because small enterprises can easily adapt to many changes that take place in the economy, technology and social sector. The advantages that small businesses have are that they usually have manageable workforce and it is easy to disseminate information either from the bottom or top.

**Growth and diversification**

Entrepreneurs are well known for making effective strategic decisions in the management of their enterprises. These strategic decisions keep on changing with time as the business grows. When the business is starting entrepreneurs often want to see their businesses survive and they concentrate on providing one product to the customers competently. Entrepreneurs are expected to change their strategies if they succeed during this stage by either developing new products or moving to new markets by expanding business. This expansion of business is known as Diversification. Holt (1992) defines diversification as a process of extending the market to new areas or coming up with new lines of products or services.

**Entrepreneurial and enterprise culture**

Culture is defined as values, beliefs, art, morals, customs, attitudes and any other capabilities that people share as members of a particular society. It is everything that influences an individual’s thought process. Culture sets checks and balances for individuals on how they should behave and thereby enhancing the performance of an enterprise. Some work culture enhance the spirit of hard work while others discourage hard working and the later will make it difficult for the enterprise to register any growth. According to Aldrich, (1990), social and cultural norms have some influence on the employees and enterprise’s entrepreneurial activity. For instance, if the attitude of all the members of staff is to achieve maximum sales it will be attained because everyone’s behaviour in the enterprise shall be tuned towards achieving that goal. This type of work culture will improve the performance of the enterprise and eventually enhance growth. Timmons and Spinelli (2007) contend that Organisational culture of any enterprise is critical for its growth. The director of the enterprise should encourage entrepreneurial culture within the enterprise so that everyone in the enterprise is creative and innovative and that can be achieved by rewarding the employees who exhibit such skills. Promoting entrepreneurial culture in an enterprise has the potential to enhance performance and growth.

**Strategic planning**

Strategic planning provides a road map that will guide the entrepreneur on how the resources shall be utilised. The plan should give strategic objectives that are to be achieved in a specific period of time. In the strategic plan growth strategies should be highlighted so that the focus is directed towards achieving the objectives. It is important for a new venture to come up with strategic plan and focus on growth, failure to plan will lead to the contraction of the enterprise. According to Holt (1992) research has shown that more than half of the small entrepreneurs start their businesses without formal planning a situation which is not good for the SMES.

Entrepreneurs who adopt a growth strategy also have ventures that grow faster than those that do not adopt a growth strategy (Shane, 2005). According to White and Reynolds, (1996), firms whose founders expected higher sales and employment growth had actual sales and employment growth that were significantly higher than the figures they had when they focussed.
According to Frese, (2002), psychological strategy process characterised by complete planning, critical point planning, opportunistic, and reactive as well as entrepreneurial orientation (autonomy, innovativeness, competitive aggressiveness, and risk taking) are related to entrepreneurial success.

**Previous education and experience**

Formal education is very essential for any entrepreneur to start up business well and succeed because it enables one to understand a lot of issues surrounding the business venture. According to Holt (1992) on the research that was carried out by Jerome A. Katz in 1984 highlighted that 86 percent of entrepreneur who start new businesses have bachelor’s degree and about 71 percent who buy exiting businesses have bachelor’s degree and the same researcher also found that more that 90 percent in both groups had several years of prior experience. The findings by Katz therefore suggest that most of the successful entrepreneurs were well educated with some experience and not school dropouts.

The failure rate is low when one has prior experience compared to entrepreneurs without any experience. Nyirongo, (2005), contends that most new businesses fail because owners lack prior entrepreneurial experience.

**Networking**

Networking can be a stimulant and source of ideas as well as source of valuable contacts with other entrepreneurs. Organised networks can facilitate and accelerate the process of making contacts and finding new business ideas that could be developed into business opportunities that could be fully exploited. Some studies on this subject have also indicated that effective networking among the established entrepreneurs, government coordinating agencies, and other stakeholders, has the potential to stimulate growth and expansion of SMEs in the country. According to Timmons and Spinelli, (2007), networks can be a stimulant and source of new ideas and source of valuable contacts with people who are either in the same business or have some interest in what one is involved in.

**Business development services (BDS)**

These are tailor-made services provided to the entrepreneurs. These services include business management, marketing, business trainings amongst others. These services are offered to SMEs with a view of assisting them to run their businesses well and make profit so that they can achieve the much-desired enterprise growth. According to Committee of Donor Agencies report (2011) BDS is the service that improves the performance of the enterprise, its access to markets and its ability to compete. In most developing countries like Zambia, business development services are usually too expensive for the SMEs because they are expected to pay full price for these services thereby making most of these SMEs not attending these courses. The BDS programmes are supposed to be subsidised so that many SMEs benefit from these services and be able to contribute more to national development. In Zambia these services are mostly offered by private organisations though sometimes the government do organise such programmes but it does not go around the whole country to benefit all SMEs.

**Enterprise resources and performance**

According to Barney, (1991), venture resources in the form of capabilities, assets, capital and human resource skills provide competitive advantage and underpin the organisation’s performance. In other words, resources are very important factors for an enterprise’s performance and growth. Resources are very important to any business venture and must be managed well because they have the potential to assist the enterprise earn more profit. Any business expansion is as a result of proper utilisation of the resources by the owners of the enterprise.

**Location of the enterprise**

Location of a business venture is very essential for performance of an enterprise. The business venture should be situated in an area that is quite accessible for all potential customers. This factor is usually ignored by entrepreneurs, though some is due to lack of capital to get good spaces in prime areas. Good location is a stimulant for enterprise growth. According to Scarborough, (2011), the location decision has far-reaching and often long-lasting effects on a small company’s future. By choosing the location wisely with customers’ and companies’ needs in mind the firm can establish an
important competitive advantage over rivals.

**Demands for the products**

The business venture that attracts more customers to buy its products is also expected to increase production or service to march with the demand. Grant, (2000) says that when all factors are equal the increase in demand will increase the price of the products or services. The increase in demand and price will eventually increase the revenue for enterprise which will enable it to expand its operations.

The enterprise should come up with some marketing strategies to inform people about its products or services and why they should buy them. It is only through marketing that the demand for products could increase thereby enabling the enterprise to perform better. Demands are wants for specific products and services backed by an ability to pay (Kotler, 2006).

**Marketing**

Marketing is a process of creating and delivering desired goods and services to customers before competitors do so. Most entrepreneurs believe that their products or services could be bought without marketing. Entrepreneurs that do not put a lot of efforts in marketing have ended up failing in business. According to Kotler, (2006), marketing management is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organisational goals.

**Conceptual model**

The conceptual model shown on figure 2.1 illustrates the relationships that exist between the director / owner’s objectives and venture growth. Entrepreneur’s desire to pursue growth is in most cases hindered by limited resources and some external factors that an entrepreneur has very little control over them. The objectives and proper utilisation of factors such as entrepreneurial culture, human resource, BDS and other factors have made enterprises succeed in increasing profit, secure bigger market shares, increase sales and the number of employees which are some of the indicators for an enterprise growth. The combination of these activities and factors when managed competently will lead to quality products and services which eventually will enhance customer satisfaction and thereafter bring about the much-desired enterprise growth.

**Conceptual framework**

![Conceptual Framework](image)

*Figure 2.1. The relationship between objectives and venture growth*

Source: Holt (1992)
Research methodology

Research design and strategy

According to Sekaran, (1992), research design means a method of investigation that a scientific research follows in order to come up with anticipated results. This study was basically an action research where both deductive and inductive approaches were exploited. Both approaches were adopted to enable the researcher obtain relevant information concerning the transformation of Mwaitake investment. The inductive methods were used to gather qualitative information while the deductive approach was used to quantify the responses and enable the researcher make reliable judgements. This study was an action research which was carried out at Mwaitake Investment.

The action research focussed on solving a particular practical problem at Mwaitake Investment. According to Stringer, (2007), an action research is a systematic approach to investigation that enables people to find effective solutions to problems they confront in their everyday lives and it focuses on specific situations and offers localised solutions.

The study mainly collected qualitative data, being an action research, which is more inductive in nature and quantitative data also was used though not very much. The data was collected through observations and interviews and others through documents, recording, policies and many other sources such as journals, newspapers and online information. Observation technique, according to Fretching and Sharp, (1997), is a technique by which an individual or individuals gather first-hand data on programmes, process or behaviour being studied. Quantitative data was obtained from documents for instance about the number of employees and educational attainment.

Sample size and sampling procedure

The sample will be made of 10 stakeholders of Mwaitake Investment. These will be chosen at random to participate in the research. Purposive sampling method will be used. According to Cohen, (2000), purposive sampling enables a researcher to use cases that will best enable him/her to answer the research question(s) and meet his/her research objectives. And according to Stringer, (2007), Purposeful sampling is that which consciously selects people on the basis of a particular set of attributes.

Data analysis and findings

The results that were drawn from the analysis provided proper conclusions and recommendations on transforming Mwaitake investment. In this study, descriptive statistics was used to analyse the data using graphs, tables and percentages.

Research findings (Results)

The study found out that the enterprise was not diversifying and this strategy could have helped to go round the stiff competition that was being experienced by the firm especially after many other entrepreneurs joined the sector. The director could have looked for new markets that were not yet crowded with entrepreneurs who were offering same products. Apart from searching for new markets he could have come up with completely new products, which could be different from the competitors’ products.

The enterprise culture also was found to be one of the factors that were making the enterprise not to perform well. The work culture of the employees was not good. The employees only put in a lot of effort in their day to day jobs when the director was present, the moment he left the workshop most of them became so relaxed that some jobs were never completed on time. That trend has forced some of their customers to move to their competitors where jobs were accompanied within agreed time frame.

Lack of strategic planning was also found to be one of the factors that needed to be addressed. Strategic planning provides vision to the enterprise and the staff. It also sets goals and objectives to be achieved within a specified period. Mwaileka investment did not have a strategic plan a scenario which was not conducive for an enterprise that the owner wanted to register growth in its operations. There was urgent need for the enterprise to come up with some plans that could provide a road map on how it should operate and expand its business.
Most of the employees of Mwaileka investment were not well educated and had no previous experience in this particular industry. The reasons that were advanced by the director of the enterprise were that educated employees and experienced ones were always demanding for high wages. Due to lack of enough capital the enterprise has continued employing people who were semi-skilled or without any skill. The enterprise has many challenges to retain the staff once they acquired a lot of experience. The enterprise should look for a financial assistance so that it can employ qualified people and retain them in the enterprise. Human resource is very important for any firm that wants to grow.

The business of today is not like the ones that were run by our fore fathers who used to hide their old/poor technology to their competitors. Entrepreneurs of today are expected to create network of enterprises. Mwaiteka investment has few networks with suppliers and few entrepreneurs but there was need for the enterprise to join a big network of entrepreneurs because there are many advantages belonging to such a network. A good network can provide business opportunities to the members of the network.

Mwaiteka investment has survived over years despite the director not having attended many courses that were provided by business development services for entrepreneurs. These courses according to the director are very good for entrepreneurs but very expensive for most of the entrepreneurs like himself. The government should assist entrepreneurs like the director for Mwaiteka investment by subsidising these courses that were being offered to the SMEs. The government should empower entrepreneurs by reducing participation fees for the courses that are meant for entrepreneurs. The director for Mwaiteka investment needs to attend most of these courses so that he could acquire better skills in business management.

The location of Muleteka investment is one area of major concern. The enterprise is situated far from the industrial area and town centre. The enterprise is not easy to locate when you are new in town. The enterprise should be relocated to another area that can easily be accessed by all potential customers. Location of the enterprise has contributed to the firm not registering growth especially that there is stiff competition.

The demand for the products that are manufactured by Mwaiteka Investment is not high. The reasons for the low demand for the product were due to the location of the enterprise and also lack of marketing. The director should market the enterprise together with its products to the general public so that potential customers are informed about its existence. Proper marketing strategies have the capacity to make the enterprise register growth.

Mwaiteka investment should encourage entrepreneurial culture within the enterprise by motivating employees who were creative and innovative. This culture once instilled in the staff increases good performance which enhances enterprise growth.

The director of the enterprise does not want to take high risk opportunities for fearing of losing his money. Risk taking is one of the qualities of a good entrepreneur, and therefore the director should take up high risk opportunities so that the enterprise can start recording some growth. The high risk opportunities have high retains which could accelerate growth.

Mwaiteka investment was linked up to other SMEs in a network that has benefited it very much. The enterprise also was networking well with suppliers of workshop materials. Networking should be encouraged very much even with other stakeholders as the benefits could be enormous for the enterprise.

There were inadequate resources in the enterprise, a situation that has led it to operate without enough capital and outdated machinery/equipment which were unreliable. The other resource that the enterprise was lacking was qualified human resource, the qualified human resource was expensive to employ and retain in an enterprise. The enterprise needed to be assisted with affordable loans so that it could do away with the challenge of inadequate resources. Once that challenge was tackled, the much-desired growth shall be attained. The unfortunate situation was the loans from Citizen Economic Empowerment Commission (CEEC) which were made cheaper to borrow were characterised with corruption and political interference. The government should remove corrupt officers from the commission and also not to interfere with the way the loans were being given to the deserving entrepreneurs.
Discussion of the results

The growth of SMEs should pre-occupy the minds of directors / owners of enterprises, the government and many other stakeholders. The social economic contribution of Mwaietka Investment in Kabwe town and the country as a whole cannot be ignored. The enterprise has helped to reduce the poverty levels for the director and its employees and in addition it has also reduced the unemployment levels in the town. The study therefore has come up with some recommendations that have been arrived at after a thorough analysis of the research findings and literature review. It is highly hoped that these recommendations will be taken seriously and implemented so that the contribution of this enterprise will be more and the benefits that shall trickle down from it shall benefit a lot of people either directly or indirectly.

Mwaietka Investment should embrace all its members of staff as part of the enterprise. Entrepreneurial culture is very important in an enterprise as it makes it perform better. Mwaietka Investment should encourage creativity and innovation among its employees by motivating those who exhibit entrepreneurial skills. On the enterprise culture the enterprise should put in place an induction programme for all its new employees. The employees should always be informed about the preferred work culture when joining the enterprise.

Focusing on enterprise growth requires that all the possible business opportunities are seized. The director should be taking up high risk business opportunities as these have high retails which could propel growth faster.

Networking is one element that has helped many enterprises to perform beyond expected levels because they are able to share technology, ideas and many other things which could add value in the enterprises. Mwaietka Investment should create networks with other SMEs that have persistently been registering growth in their businesses and also with other stakeholders.

Resources are the drivers of business operations; Mwaietka Investment therefore should employ qualified and experienced workers who will enable the enterprise to make profit because they are competent.

The enterprise also should send the current employees for staff training and development programmes so that they are well skilled. On the availability of financial resources, the enterprise should take a survey of these financial institutions so that it may find one that lends money with a lower interest rate.

It is not easy for an enterprise to achieve growth without proper investment in machinery / equipment. The enterprise should secure some funds from lending financial institutions to purchase machinery / equipment as these are must for the growth of the enterprise.

On borrowing from CEEC, the enterprise should continue applying for funds and should also engage the services of an expert in writing business plans which is a major criterion that is used by the commission to disburse their funds.

Starting a business venture and managing it successfully depends very much on the level of business management skills that the owner had acquired previously. The director of Mwaietka Investment should attend business courses that are offered by business development services providers. These courses have the potential to equip the director with the necessary skills required to manage his business venture competently and achieve some growth.

An enterprise that is situated in a good area is capable of scoring a lot of successes. The location of the enterprise has a strong influence on its performance. The director of Mwaietka Investment relocates the enterprise to a most accessible and central place where it can easily be reached by potential customers.

Mwaietka Investment is one of the SMEs that have existed for over twenty years that manufacture metal products in Kabwe. Despite having been in business for many years most of the Kabwe residents do not know much about it especially that the situation has been compounded by its bad location resulting in its poor performance. The director should come up with effective marketing strategies which will make the enterprise a household name in metal products and construction in Kabwe and beyond.

Starting a business venture without planning will eventually see the venture failing to survive the pressure that will be exerted by the business environment. Strategic planning is very important as it
provides the enterprise with vision and goals to achieve. The director together with the employees should come up with a strategic plan which will guide the enterprise.

**Conclusions**

The study was based at Mwaiteka Investment an SME based in Kabwe town of Zambia. The enterprise manufactures metal products and also is in the construction business. The enterprise was started by the director/owner in 1994 with only two employees but through the years it has managed to increase its workforce to eleven (11).

The study also has revealed a number of factors that have consistently affected the growth of Mwaiteka Investment and among these the most prominent one is the financial resources. The other ones also are closely related to the financial resources and these are human resource, machinery and entrepreneurial culture. All the foregoing factors appeared to be inadequate in the enterprise and had a lot of negative influence on the growth of the enterprise.

**References**

Foreign Direct Investment in Agriculture in Zambia has it Brought Tangible Economic Results

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Abstract

Foreign Direct Investment (FDI) involves movement of resources from foreign countries into the local economy. Foreign Direct Investment is the key driver of economic growth in many developing countries in the world. Despite Foreign Direct Investment being a key driver of economic growth, Foreign Direct Investment in Agriculture in Zambia has not stimulated great economic growth despite the country having vast arable land and a lot of water bodies lying across the country.

The study covers Foreign Direct Investment in agriculture in Zambia which includes; size and growth of the economy, physical, financial and technological infrastructure and investment promotions. It also addresses the role of Foreign Direct Investment in the agricultural sector which is job creation. An analysis of the policy frame in agriculture was carried to show how Foreign Direct Investment in agriculture is supported. The paper also outlines challenges and limitations that affect growth of Foreign Direct Investment in agriculture in Zambia. These include; poor road network, poor land policy in agriculture, political risks, poor economic environment in the country and high corruption rate. Activities undertaken by government in improving agriculture in the country has also been analyzed in this paper, such as provision of incentives to investors in agriculture, crop diversification, and introduction of Farm blocks in the various parts of the country.

This study will contribute to Foreign Direct Investments in stimulating economic growth and improvement in developing Countries. Foreign investment inflows in Agriculture also saw a rise in the number of accommodation establishments and employment levels.

Keywords: Zambia, Foreign Direct Investment, Economic Growth, Agriculture, Employment.

Introduction

Zambia is a land locked country with a lot of potential in the agriculture sector. Zambia economy highly relies on the mining sector but if the agriculture sector is developed it can contribute to the economic growth of the country.

The Agriculture sector potential can be seen in by the available market such as the neighboring countries that are experiencing drought and food shortages while Zambia has had enough rain for rain harvesting and crop production. Over 60 percent of the population derives its livelihood from agriculture. (Ministry of Agriculture Report, 2007) Therefore, the trend from other studies shows that Foreign Direct Investment can be essential source of private capital for developing economies especially in countries with friendly environment (Recent trends show that Foreign Direct Investment can be an important and stable source of private capita (Jun and Singh, 1996). This sector is not highly developed due to reason such as

1. Limited financing. This can be attributed to high interest rates by the banks.
2. High reliance on rain feed crops.
4. Power cuts due to load shedding.
5. Limited crop production Zambia main crop production is Maize.

The list is endless. The Agriculture industry in Zambia consists mostly of small-scale farmers. For this sector to develop there is need to attract Foreign Direct Investment. The rate of investments in agriculture is important because it increases the stock of capital used to produce food and fiber. As the role of Foreign Direct Investment can thus be seen as to exploit the home country’s comparative
advantages in intermediate inputs that are embodied in products whose final stages of production give a comparative advantage to the host country (Dunning, 1993a).

However, Foreign Direct Investments is foreign capital investment to a country. Foreign direct investment to a country results in increasing productivity, reducing unemployment, and increasing the use of technology. The need for Foreign Direct Investments came as a result of shortages in domestic funding sources to finance development projects in developing countries.

However, according to Khalfan (2002), the Direct Investment theory states that increased Foreign Direct Investment flows from industrialised countries to less industrialized countries is as a result of the positive rates of return that accrued from capital utilization in less industrialized countries. Zambia in this case can be considered as a favourable destination for foreign investments as it provided investors with possible gains from its predominantly labour-intensive economy.

Methods

Both primary and secondary data were obtained for the purpose of achieving the objectives that were set for the study. In utilising the quantitative data, tabular and graphical representations were used to determine the benefits accruing from agricultural activities and incentives.

The data collected is analysed in the statistical analysis provided below through charts and various diagrams below.

Results and discussions

Role of foreign direct investment in the agricultural sector

Foreign Direct Investment in the agricultural sector is important for growth and development for the Zambian economy. It drives business reform, policy formulation and reforms, and creates employment. Foreign Direct Investment in the agricultural sector in Zambia have facilitated technology transfer, increased export earnings, and increased business opportunities for local businesses who are able to transact with these Foreign Investors, employment generation, increased incomes, and increased government revenue (through taxation, commissions, licenses and permit fees), all of which are critical in reducing poverty. Some of the contributions of Foreign Direct Investment in the agricultural in Zambia are highlighted below:

Foreign investment's contribution to employment

Surveys are conducted yearly by Government mandated institutions to collect information on employment by Majority – Owned Foreign Affiliates operating in Zambia so as to assess their contribution to employment in the country. The surveys from 2010 to 2014 established the following details as highlighted in table 1 below:

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Jobs Created</td>
<td>2,441</td>
<td>3,471</td>
<td>3,647</td>
<td>5,272</td>
<td>5,725</td>
</tr>
</tbody>
</table>


The survey established that the level of employment created by Majority-Owned Foreign Affiliates in all the sectors stood at 56,700 in 2010. With the agricultural sector contributing 2,441 jobs. Figure 1 below provides a sectarian analysis of employment created in 2010.
In 2011 the level of employment created by Majority-Owned Foreign Affiliates in all the Sectors stood at 66,778. The agricultural sectors contributed 3,471 employees (5.20 percent).

A sector analysis of employment created in 2011 is summarized in figure 2 below.

For 2012, overall employment created by MOFAs stood at 70,653 with the agricultural sector contributing 3,647 jobs (5.16%). Figure 3 below provides a sector analysis of the jobs created in all the sectors.
Figure 3. Employment levels of majority-owned foreign affiliates by sector, 2012

Source: Foreign Private Investment & Investor Perceptions Survey, 2013

With regard to 2013, the survey findings showed that the agricultural sector contributed 5,272 (6.72%) jobs to the 78,475 jobs created by Majority-Owned Foreign Affiliates. A sector analysis is provided in figure 4 below.

Figure 4: Employment levels of majority-owned foreign affiliates by sector, 2013

Source: Foreign private investment & investor perceptions survey, 2014

In 2014 Majority-Owned Foreign Affiliates accounted for 87,527 employees, with the agricultural sector contributing 5,725 jobs representing 7% of the total jobs created. In figure 4 below is a sector by sector analysis of the jobs contribution.
Other contributions

Foreign Direct Investments in the agricultural sector also contribute significantly to the Zambian economy through the payment of taxes (corporate tax) on income generated. For example, in 2012 Ministry of Finance As paid a total of US$15million, US$900,000 in 2013 and US$2.4million in 2014 (Foreign Private Investment & Investor Perception Surveys, 2013, 2014 and 2015).

Foreign Direct Investments also provide business opportunities to the local companies which are able to supply goods, works and services to these investors. In addition, Foreign Direct Investments also facilitate technology transfer as some of the technologies that are used in the agriculture sector are new to Zambia and very advanced. Therefore, Foreign Direct Investments facilitate technology transfer. Research by Thomas (2007) on the U.S. federal government found that investment incentives were considered to be an opportunity to attract investment into the United States of America (U.S.). An incentive was focussed towards machinery and equipment depreciation, and it was estimated to have cost of US$ 44.7 billion in economic year 2004. The author also found that in Canada, incentive initiatives were being used at the provincial level and that they were much more highly centralised. Huge incentives such as those in the automobile industry attracted federal as well as provincial participation in the awarding of subsidies

Policy frame works in agriculture that promotes the growth of foreign

Direct investment in agriculture

According to Asiedu (2006), research showed that government policies are significant influencing Foreign Direct Investment flows into specifically to Governments can offer incentives to potential Foreign investors in the form of tax holidays, tax rebates, and investments in infrastructure among others. Policies that aim to train and upgrade the skills of the labour force are encouraged as this Increases human capital. Therefore, it is important that Governments also work to ensure that there is more transparency in their economies. Bartels et. al. (2009), show that governments needs to improve on their regulatory environment, emphasizing on creating laws that encourage people to do business in an economy. However, the government of Zambia has in place a National Agriculture Policy (NAP). The National Agricultural policy was Formulated in 2004 and covered the period up to 2015. This is the policy that is currently in place. The National Agricultural policy (2004-2015) statement states that “the overall Agriculture Policy is to facilitate and support the development of a sustainable and competitive agricultural sector that assures food security at national and household levels and maximizes the sector's contribution to Gross Domestic Product (GDP).”

The National Agricultural Policy has the following specific priority objectives;
1. To ensure national and household food security throughout the all-year round production and post-harvest management of adequate supplies of basic food stuffs at competitive costs.
2. To contribute to sustainable industrial development by providing locally produced agro-based raw materials.
3. To increase agricultural exports thereby enhancing the sector’s Contribution to the National Balance of Payments.
4. To generate income and employment through increased agriculture production and productivity.
5. To ensure that the existing agricultural resource base is maintained and improved upon.

The current National Agricultural Policy is comprehensive as it addresses all the key areas in the Agricultural sector these are; Management of Crop Production, Management of the Livestock, Management of Fisheries, Land Management and Marketing Services. For example, section 3.1.1 deals with Crop Management, section 3.3 deals with Land Management, section 3.5 deals with Livestock Management, section 3.6 deals with Fisheries, section 3.8 deals with Agricultural Marketing, section 3.8.2 deals with Agricultural Credit and Finance and Risk Management is dealt in section 4. The policy framework identifies all the major stakeholders in the agricultural sector who are key in ensuring successful implementation of the policy. These are the Government, Co-operatives and the Non-Governmental Organizations such Zambia Nation Farmers Union. It outlines the various strategies that have to be implemented in order for the policy to succeed. Each sub-sector has strategies that are specific to the sector and there are interventions that have been suggested to ensure successful implementation of the policy.

Key policy areas that addresses Increase in Foreign Direct Investment: The National Agricultural Policy has in place strategies that will positively influence the inflow of FDI in the country. The key ones are as follows.

a. Facilitating provision of incentives for local and foreign agricultural investment

Ministry of Agriculture has been lobbying the Ministry of Finance and National Planning and other stakeholders for budgetary provisions of incentives in agriculture such as tax breaks and agricultural import/export incentives. The Ministry would also play a role of a marketing agency in linking up Agricultural investors to the Zambia Investment Centre and help them in dissemination of information on investment opportunities and incentives. This is a key area where valuable information for investors interested in agriculture can be obtained.

This strategy has already been implemented as currently all agricultural products are zero rated as far as taxation is concerned. This cost saving would encourage investors to come and invest in the agricultural sector in the country.

According to Quazi (2007), who conducted the research to examine nine Latin American countries, found that Foreign Direct Investment inflows decreased when government policy changed lead to higher trade barriers such as higher taxes, restrictions on foreign investment, a more suppressive financial system, additional price controls, and wage controls. While, bilateral investment treaties which were being used in many developing countries were found to have a positive effect on inward Foreign Direct Investment flows.

b. Facilitating Availability and Accessibility of Land for Agriculture and Development of Infrastructure in Potentially Productive Agricultural areas

The Government recognizes the duality nature of agriculture in Zambia and the poor state of infrastructure especially in some of the potentially productive agricultural areas. Special measures including rehabilitation of feeder roads, bridges, storage sheds, dams, canals, dip tanks; on-farm storage and others are needed to help farmers in these areas.

New farm blocks would be opened up in each of the nine provinces and also provided with the necessary infrastructure such as feeder roads, bridges, storage shed, electrification, dams and canals so as to attract both local and foreign investment in agriculture. The Ministry would liaise with the Ministry of Lands to facilitate availability and accessibility of land for agricultural development.

The growth of the agricultural sector in the country relies to a great extent on this strategy. The government has greatly invested in the development of road network in the country. A Master Plan
called “Link 8000” has been formulated under the reforms in the road sector. A specific quasi-government department called Road Development Agency (RDA) has been formed and is spearheading these reforms that have seen development of road in remote areas hence opening up the underdeveloped rural areas for agricultural purposes.

The government has opened up Farm Blocks in all the 10 provinces by acquiring land from the traditional leaders and making available to investors in the agriculture sector.

Below is the diagram showing the various farm blocks in the country;

![Diagram of various farm blocks](image)

The current national agricultural policy has areas that various stakeholders in the country have identified needs urgent attention. There are some pieces of legislation current in force that needs to be reviewed so as to create a conducive environment for investors and other various stakeholders. The ones which are critical which will need immediate attention are the following: the development of an Agricultural Marketing Act that will regulate market players in agricultural marketing; the review of the Agricultural Credit Act to provide for use of warehousing receipt system as collateral in obtaining loans; legislations regarding animal health, livestock development, dairy development, animal identification and traceability and veterinary and Para-veterinary professional which are necessary to guide the sector on the control and prevention of livestock diseases as well as regulate dairy and livestock production; and the Fisheries Policy and Fisheries Act.

Also, the following legislation needs review: Cotton Act, Cap. 227, the Tobacco Act, Cap. 237 and 238, the Noxious Weeds Act, Cap. 231, the Plant Pests and Diseases Act, Cap. 233, the Environmental Protection and Pollution Control Act, Cap 204, the Water.

Rights Act, Cap. 198, the Lands Act, Cap. 184 and the Agricultural Lands Act Cap 187.

The current National Agricultural Policy is very comprehensive and if successfully implemented the country would greatly benefit.

Nowadays according to LaII (2005) it is well accepted that both economic growth and development are highly dependent on improving not just the availability of capital, but also access to technological capabilities, infrastructure and resources. Therefore, in the process of embracing Foreign Direct Investment as a solution to the innumerable economic ills of development, it is important to understand the rationale and the costs associated with such a policy stance. Simply put, emphasis should not only be placed on attracting Foreign Direct Investment, but also on understanding how best to optimize the benefits for the host economy.
Limitation and Challenges of Foreign Direct Investment in Agriculture Sector in Zambia

1. Poor road network

Foreign Direct Investment in Agriculture in Zambia faces challenges due to poor road infrastructure. Most of the arable Land in Zambia is in the outskirts of the cities. The road infrastructure to the places is very bad or do not exist. As a result, foreign investors who would like to venture in Agriculture find it difficult to come and invest in Zambia. For example, there is fertile land in Northern, Muchinga and Luapula provinces of Zambia with good rain fall pattern but due to poor road network there is no development that taken place.

2. Poor land policy in the country

The land ownership policy in Zambia gives more power to the Traditional leaders. Most of the land in the country is owned by traditional leaders. These view land as a sign of wealth and they do not easily allow investors to come and invest. There is need to review the land policy in the country so that more land is made available to potential investors.

3. Poor weather conditions in the country

Zambia has been experiencing poor rain fall patterns in some parts of the country which has affected agriculture. This has largely been experienced in the southern, eastern and part of the western provinces. Investment in agriculture by its nature requires good rainfall patterns. Using irrigation is very expensive and as such most investors who invest in agricultural will need to huge investment in irrigation equipment such as centre pivots and large dams to overcome this challenge.

4. High interest rates

Investments in agriculture require large amounts of funds and returns are realized over a long period of time. Investors would normally have to borrow or obtain loans from banks. High interest rates affect growth of the agricultural sector. Currently the interest rate being changed by banks is at 40% in Zambia. This is too high for any investor to borrow and invest in the agricultural sector whose returns take long time to be realized.

5. Lack of reliable power supply (electricity)

The main source of energy in Zambia is through hydroelectricity. Generation of hydro- power depends on the rains. There has been low rain pattern in the county in the recent years leading to low water levels in the dams where power is generated. This has led to serious rationalization of power in the country. The agricultural sector has been seriously affected as it relies on power to carry out irrigations in the dry seasons. Investment in this sector of the economy has greatly reduced.

Conclusion

Based on the findings, the study reached the following set of conclusions:

Foreign Direct Investment in agriculture was increasingly recognized as an important factor in the economic development of Zambia. It helped in improving in employment levels in Zambia in the agriculture sector, through the establishment of farm blocks in the various parts of the country. It was also established that Foreign Direct investment in Agriculture facilitate technology transfer as foreign companies come to invest in Zambia, they bring new technologies. Investment incentives were found to be an adequate factor in promoting Foreign Direct Investment and had a positive effect in attracting FDI towards the agricultural sector in Zambia. This was supported by results from the secondary data review and the various surveys conducted by many government agencies as displayed by in the analysis above. Job and wealth creation remain a major development agenda for the Government.
References

Study of Marketing and Processing of Mango Enterprise with a View to Reduce Wastage Among Local Mango Producers in Zambia

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Abstract

*Mangifera indica* L., is one of the tropical fruit trees grown in Zambia. The mango fruit produced in rainy season go to waste. In order to reduce the waste, a business model must be employed to use this mass production into an opportunity. A study was undertaken on how the business model would play a big role in providing markets for the mango fruits in Zambia. The researcher identified the marketing players in the industry such as processing companies, producers, and traders. Through the literature review and the study, it was found that the mango processing enterprise is profitable because it has a huge market within Zambia especially in the slack period of mango production. Due to competition for these outlets, the processing companies will need strategic planning with sound marketing strategies. This loss can go up to 30 or 40 %. With a bleak possibility to store mangoes locally, smallholder farmer has to sell his harvest at the time that the market is flooded and the prices are on its lowest. (GVCT 2016). This also result into the loss of contribution to the economy of Zambia that is predominantly agriculturally based. This study looked at three marketing players and profitability and this showed that the producers have a net profit margin of 18.34%, the trader at 19.45% and the processor at 34.1%. This shows that the processor would help to reduce wastage and at the same time be able to make profits out of the business model.

**Keywords:** Market players, processing, net-profit margin, wastage.

Introduction

Agricultural products processing in Zambia is still in its infancy and this is more evident in the fruit production and processing industry. A few companies have processing plants where harvested or slaughtered farm produce are processed into marketable and edible products in well presentable packaging. The most popular processors are millers that process maize meal. The fruit processing in Zambia is not well developed. Zambia produces a fair share of fruits and the most produced is Mango fruit. Mango fruits are produced in abundance in Zambia and this fruit goes to waste every year.

Mango (*Mangifera indica* L) is a tropical fruit tree that is widely grown in Zambia. Its fruit is a source of pre-biotic dietary fiber, vitamins, minerals, and poly-phenolic flavonoid antioxidant compounds. Mango fruit is one of the most popular, nutritionally rich fruits with unique flavor, fragrance, taste, and heath promoting qualities that could promote a health nation especially in children and lactating mothers.

The tree is believed to be originating in the sub-Himalayan plains of the Indian subcontinent. Botanically, this exotic fruit belongs to the family of Anacardiaceae, a family that also includes numerous species of tropical fruiting trees in the flowering plants such as cashew, pistachio. Its scientific name is *Mangifera Indica*. L.

Mango is not just a fruit but it is one of the most cherished foods in traditional Zambia. The fruit is at the centre of rural Zambian society as a source of food that is so anticipated and cherished, which can also be processed into juice and other products such as jam (*hunger for culture*, 2013). Essentially a prime table fruit, mango pulp is perfectly suited for conversion to juices, nectars, drinks, jams, fruit cheese or to be had by itself or with cream as a superb dessert. It can also be used in puddings, bakery fillings, and fruit meals for children, flavours for food industry, and also to make the most delicious ice cream and yoghurt. While the raw fruits are utilized for products like chutney, pickle, amchoor (mango powder), green mango beverage, etc. ripe ones are used in making pulp, juice, nectar, squash, leather, slices, etc. Green or ripe mangoes may be used to make relish (*Morton*, 1987). In Zambia, it is mostly
eaten in its raw unprocessed form in both urban and rural areas. The farmers and traders from rural areas where there is mass production, bring the mango fruit into town centres especially the cities Lusaka (capital city of Zambia) to sell to urban people.

In the months of October to January, the Mango fruits is in abundance in Zambia. The fruit goes to waste every year. All the provinces of Zambia produce in such abundance that farmers and those with mango trees let the fruit to rot and thrown away. They only manage to eat small quantities of the fruit with their families. As stated, the fruit become garbage as not all of it is consumed. This is an opportunity for the business enterprises to utilize and process the fruit into juices, drying, mango chips and any other products that would be sold on the market.

**Purpose of the study**

With this in mind, the researcher undertook a study to establish the marketing and profitability of producing and processing the mango fruit in a view of reducing wastage and provide solutions in the business processing model. The following are the main objectives of the study:

i) To analyze the profitability of Mango production and problems in mango marketing

ii) To examine the role of producers, traders and processors in Mango value chain process

iii) To offer suggestions on the measures to improve the marketing efficiency of producers and processors

**Problem statement**

Mango trees are widely grown in the Zambia, however, there is a lot of wastage where they rot on the ground or buried because of lack of storage technology, lack or few fruit processing cottage industry and no value addition to the fruit. This is as a result of inadequate fruit processing technology knowledge amongst small scale farmers. (ZNFU, 2014). Mango is a perishable agricultural product that needs to be well stored and processed to add value to it in order to get profit out of the enterprise. With the inability to process mangoes and other fruit on local bases, a lot of the yearly production is lost. This loss can go up to 30 or 40 %. With a bleak possibility to store mangoes locally, small farmer has to sell his or her harvest at the time the market is flooded and the prices are on its lowest. (GVCT 2016)

With all these limitations, the farmers have to cultivate and earn profit. The financial constraints and lack of adequate infrastructure for marketing of Mango are some of the problem areas. The limitations of the off-takers especially the processors need to be explored further.

**Existing solutions**

The marketing channels for the mangoes range as follows:

- Family/locally eaten and Preservation/drying at village level
- Mango trading from rural to urban areas
- Juices, Jam processing from processing companies
- Exporting

**Best option**

There is a huge market for mango juices and jams in Zambia. The value addition i.e. packaging, increase in shelf life and attracting organized marketing, need to be explored in Zambia. The urban population has changed their taste to consume pure juices other than consuming a raw mango from a tree. In addition, the indigenous knowledge on drying and preserving fruits such as mangoes has gone down due to change of life styles and consumer taste. Coupled with the limitations in exporting the indigenous mangoes makes local marketing avenues attractive to the industry. The study identifies the following marketing chains in the country:

i) Producer to villagers/rural (consumers) people for home consumption

ii) Producer to trader in open markets in urban areas

iii) Producer/Trader to processing unit/companies

**Limitations**

Seasonality of the mango production that lead to low prices at the time of mass production is at the base of mango value chain limitations. The mango fruit is produced between October and January each
year. This results in the fact that most of this fruit produced at this time go to waste due to lack of storage facilities that would keep the fruits for a long time. In addition, transport costs may be incurred in the process of following the urban markets and this can render distortion of prices. Lack of investment programs in establishment of processors has led to limiting the marketing avenues available for the mango producers. In addition, there are no organized markets for Mangoes in all the provinces of Zambia.

Achievements

As a country there is still a lot of struggle to harness the mass production of the mangoes produced in Zambia. However, there are two processors which are well known in Zambia namely CHANKWANKWA farms and Food Processors limited and COMACO. CHANKWANKWA Farms and Food Processors has since been making mango jams and juice while COMACO has been drying mangoes for use later in the season.

Some of the producers have started producing exotic cultivars that have preferred qualities such as larger sizes, juicy and very sweet varieties, in order to harness the export markets.

Methods

The study undertook a survey in the high producing central region of Zambia. Qualitative and quantitative data was collected based on informal interview of key respondents, and structured interviews of producers, traders and processors. The Producers are defined as those who grow mangoes and do not engage in trading of the product. Traders are those who engage in bulk buying and take to large markets mostly in urban areas. Processors are those who add value to the mangoes through processing mangoes into dried fruits, mango juice and mango jam for both local and export markets.

Primary data collection

Primary data was collected using interview and well-structured questionnaires from 50 mango producers and Seven (07) traders. The study only managed to interview only one processor namely CHANKWANKWA Farms and Food Processors Limited who is found in the Central Region of Zambia.

Purposive Random sampling was done and the study settled for a sample size of 50 Mango producers that were grouped in five (5) focus group discussions to establish the avenues of sell and the profitability of mango production and other qualitative data. In the same vein, individual interviews were conducted to the seven (7) Mango traders to establish the marketing channels/avenues that will reduce the wastage. Only one processor was available to be interviewed for the study to establish the profitability of the mango processing industry.

Secondary data collection

Secondary data was collected from the internet, journals of previous papers on mango value chains, offices of government departments such as Ministry of Agriculture, Ministry of Commerce and Trade. Central Statistics Office and local libraries were some of the places where secondary data was collected.

Quantitative analysis

Quantitative analysis was done through collecting data through a survey from the producers, traders and processors in Central Region. This was done in order to give an indication producing, trading and processing benefits and problem encountered in the Mango value chain.

The researcher prepared the trading, profit and loss accounts in order to establish the profitability of both producing, selling and processing mango. This is shown in table on page 14 in this paper. The Net Profit Margin was calculated by dividing Net Profit by Total sales multiplied by hundred to find the percentage.

Qualitative analysis

Qualitative data was collected from the interview in looking the processes involved in mango production, trading and processing. The researcher was able to analyze the interviewee stories and was
able to come to a conclusion of what happens in the mango value chain. This is evident in the results that are outlined in the following section

**Results**

After the interviews it was found that each group of participants had particular results:

i) Focus group discussion for the producers,
   - There is so much loss at the farm level. Mangoes rot at the farm without any meaningful storage to prevent rotting.
   - The production practices are not up to standard to get maximum yields and hence get maximum profits.
   - The producer always relies on the trader to purchase the commodity. They do not pursue the central urban markets.
   - The cost of producing mango fruit is low for the producer.
   - There are no organized markets where the producer is able to take their produce for sale.
   - The mango fruit is only produced once a year in October to January.
   - The producer households enjoy the mango fruit.
   - Producers do not keep proper records for the mango sales at farm level.
   - The Net Profit Margin is low at 18.34%.

ii) Individual Trader interview findings
   - They struggle with proper storage of Mango fruit.
   - They have to incur storage cost to redeem some of the mango fruits they buy/sale.
   - The transportation cost is very high.
   - They get mangoes from far remote areas that leads to risk of rotting during transportation.
   - There are no organized market for the traders.
   - They incur utility bills such as electricity.
   - They have difficulties in setting prices.
   - There are so many on the market during the production season.
   - The Net Profit Margin for traders is at 19.45%.

ii) Mango Processor Company
   - The processor monopoly of buying raw mangoes at a competitive price.
   - Incur high utility bills such as electricity and water.
   - The processing costs are very high.
   - It needs technical knowhow to process the mangoes to the required standards.
   - The Net Profit Margin is relatively above Central Statistics Office (CSO) Standards at 34.10%.
   - Faces competition in supermarkets for juice and jam market (exotic and carbonated products).

**Discussion**

This paper discusses the results of the mango profitability of the mango enterprise in the view of the mango wastage during the production period.

The producer has many challenges in the production of the mango fruit. They are not able to produce to according to standards that may attract high prices. The producer is at a disadvantage in terms of farm gate pricing because the farm gate price 50% less than the urban market price. This makes mango fruit sale unattractive business venture to the producer. Producers were also not able to keep proper records of how much they were harvesting, selling and total costs incurred during production. This then makes them vulnerable and may not know how much net profit margin they could make after selling mangoes. This also results in not seeing the profitable value of the mangoes that it can improve their livelihoods.

In addition, the producer does not have storage facilities that would allow them to store mangoes until opportune time to increase prices. This then reduces the value of mangoes. The prices become very low at the time of peak production in the season. In this case the wastage is so high that the mango fruit rot in the fields.
At the intermediary level or the trader level, the trader is able to look for available markets in the urban centers where he doubles the prices of mangoes in order to cover the high transport expenses incurred. The trader gambles with the perishability aspect of mangoes twofold: a) as the trader travels long distances from remote rural areas to urban close to 200km to 500km and the mangoes become overripe and some rot on the way; b) when the trader arrives at the market, they usually find a mango flooded market. This results in not selling in quantities anticipated. Sometime half of the ten (10) truck load is not sold and go to worst. There are limited cold room storage facilities that would accommodate the mango trader merchandize. Again, wastage haunt the mango marketing. The trader has a net profit margin above the producer at 19.45%. However, this is lower than the Central Statistics Office (CSO) acceptable Net Profit Margin of about 30%.

The processors soars above the CSO acceptable Net Profit Margin and are at 34.1%. This gives motivation for the processors to establish fruit processing industry in Zambia. The processors also enjoy monopoly in obtain raw materials. They are able to dictate prices to both the trader and the producers. This is because there no many fruit processing companies in Zambia. However, the processor is not without challenges. The processor faces competition in the marketing value added products. The imported processed fruit juices, blends, carbonated drinks and also the fruit jams have flooded the Zambian markets from the neighboring and other countries. The most popular are those from Tanzania and South Africa.

With this in mind, the processor needs to employ marketing strategies that will attract customers thereby obtain high mango product sales

Looking at the need and the benefits that Mango provides to the health of a person, it is possible that an organization or a company would venture into the mango processing enterprise and be able to market the mango products such as juices, jams, pulp etc., for both domestic and international markets. A market consists of all the potential customers sharing a particular need or want who might be willing and able to engage in exchange to satisfy that need or want (Philip Kotler). For this value chain, there are particularly three needs that a mango processing enterprise would be addressing namely a) Providing market for the fresh mangoes that goes to waste in time of plenty, b) provision of value-added mango products for example in dried form during slack periods and c) providing income to mango farmers.

With these needs, mango processed products will find market. This will result in provision of employment and increase in income generation in the rural areas. Another benefit is that, the more demand from processing companies, the more will be the need to plant more mango trees that would also be beneficial in reducing climate change effects in Zambia.

The organization or a company that would venture into this business would be required first of all to make a strategic plan on how the company is going to carry out their business. The organization will have to look at the vision and mission statements in order to have a road map on how they will meet their objectives. This kind of company would perhaps have a vision that will help the company to be the leading company in providing market for fresh mangoes. To ensure that they select and execute the right activities in the Mango processing, marketers must give priority to strategic planning in three thematic areas namely a) managing a company’s businesses as investment portfolio, b) assessing each business’s strength by considering the market’s growth rate and the company’s position and fit it in that market, and c) establishing a strategy. The company must develop a game plan for achieving each business’ long-term objectives or mission statements.

A marketing strategy is a business’s overall game plan for reaching people and turning them into customers of the product or service that the business provides. The marketing strategy of a company contains the company’s value proposition, key marketing messages, information on the target customer and other high-level elements. The marketing strategy informs the marketing plan, which is a document that lays out the types and timing of marketing activities. A company’s marketing strategy should have a longer lifespan than any individual marketing plan as the strategy is where the value proposition and the key elements of a company’s brand reside. The marketing strategy may also be absorbed upwards into the corporate value statements and other strategy documents. A marketing strategy grows out of a company’s value proposition. The value proposition summarizes the competitive advantage a company has in its market. The value proposition usually provides the key message for all marketing. A company is never creating a marketing strategy from scratch. They start with the value proposition and distill the
key marketing message(s) from that. Once the value proposition is succinctly stated, the hard work is done. Any marketing asset, from a print ad design to a social media campaign, can be judged by how well it communicates the value proposition. To further the efficiency of marketing efforts, market research can be added to the marketing strategy for the purpose of identifying untapped audiences or refining the target consumer. In addition, an overall goal for the marketing strategy can be set, with all the subsequent marketing plans inheriting the responsibility for delivering on it. These can be concrete, bottom-line goals such as increasing sales or something less direct like climbing the ranking of trusted providers within the industry. https://www.investopedia.com/terms/n/marketing-strategy.asp In this paper we will discuss the key strategies that could be used in a mango processing enterprise. As far as customers are concerned there are three elements to address that is

a) Customer value: difference between the values that the customers gain from owning and using a product versus the cost of obtaining the product. The mango customers will expect the real taste of mangoes in whatever state it is presented.

b) Customer Satisfaction: the extent to which a product’s perceived performance in delivering value matches a buyer’s expectations

c) Quality: the characteristics of a product or service that bear on its ability to satisfy stated or implied customer needs. For example, in the Mango processing industry, the customer will expect quality mango jams and pulp from carefully processed fresh mangoes.

Marketing management employs tools from economics and competitive strategy to analyze the industry context in which the firm operates. These include Porter's five forces, analysis of strategic groups of competitors, value chain analysis and others. In competitor analysis, marketers build detailed profiles of each competitor in the market, focusing on their relative competitive strengths and weaknesses using SWOT analysis. For example, Chankwakwa Farms and Food Processors should be able to analyse their competitors such as COMACO food processors, SYLVA Catering and food processors before entering the market. This helps in properly analyse the markets for the mangoes. The Marketing manager using the strategic plan must look elsewhere for market including international markets. Marketing managers will examine each competitor's cost structure, sources of profits, resources and competencies, competitive positioning and product differentiation, degree of vertical integration, historical responses to industry developments, and other factors.

Marketing management often conduct market research and marketing research to perform marketing analysis. Marketers employ a variety of techniques to conduct market research, but some of the more common include Qualitative marketing research, such as focus groups and various types of interviews and also Quantitative marketing research, such as statistical surveys. After the market research, the company must then employ technics that will help in establishing an enterprise and be able to penetrate the market. One of the tactics the marketer may have is market segmentation that helps to target the customer into groups that will be able to buy the product. In this case, a mango processor will segment the food industries that might process much more.

The marketing strategies will include and not limited to the following tools that will help the firm to be able to sell more. These are called the 7 Ps of marketing namely Product, price, promotion, people, physical evidence, place and processes. For the enterprise to survive in their marketing strategy and ultimately in the strategic planning and the set-out goals that encompasses profitability, the marketer should make sure that the market mix of the 7Ps is taken care of. For example, promotion of the product would be in many ways such as branding the product and advertise in a way that the customers are able to find the product. The enterprise must be able to communicate to the customers what they are selling and the benefits that are derived from the product. For the mango enterprise we have already seen how beneficial the mango fruit is and those benefits must be communicated to the customers and consumers of the products. Promotion is also embedded in the digital marketing where for example the media is used to communicate to customers the potential and goodness of the product. The computer age has made it easier to sell on internet and to all places. The place now is wherever someone is able to communicate on internet they are able to access a product. This works to reach out almost all people who is able to access social media.
Chankwakwa Farms and Food processors have branded their products and according to proprietor, branding helped to sell and penetrate the market that was already had a variety of jams and juices. This is seen in the figure 4 (with courtesy of SAFE project and the Chankwakwa Farms and Food Processors) https://www.agrilinks.org/sites/default/files/resource/files/chankwakwa_5.25.17.pdf

Conclusion

This paper concludes that the mango processing industry may be the answer to reducing mango fruit wastage. The researcher analyzed the findings and they revealed that it is profitable to process mangoes than to just trade without adding value to the mango fruit hence reducing on the wastage of the fruit. The results also show that proper storage is very vital in the mango trading venture as mangoes are a perishable fruit. Since there are few mango processing companies, this paper recommends that there should be more investments done to establish processing industries to curb the mango wastage in the country. This will also reduce processing companies’ monopoly when buying raw mangoes and buy at competitive prices that will give a win-win situation to all market players. When organized markets and processing companies are established, the seasonality limits for all the market players will be reduced in that cold room storage facilities will be able to keep mangoes even off-season. This mango processing business model brings to the fall numerous benefits that include, increase in incomes, health benefits to the local people, reduction of climate change effects through mango plantations, and reduction of mango wastage through utilizing every fruit for processing. The business model is self-sustaining because the proprietor is attracted by the profitability of the enterprise and mops up the mangoes that would have gone to waste in the process.
### Tables and figures

#### Table 1. Focus group discussion interviews for 70 producers

<table>
<thead>
<tr>
<th>Detailed items</th>
<th>Sampled producer groups/average findings (ZMW)</th>
<th>FDG 1</th>
<th>FDG2</th>
<th>FDG3</th>
<th>FDG4</th>
<th>FDG5</th>
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<th>Average</th>
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<td>230 crates/acre</td>
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<td>3,896.00</td>
<td>12,263.00</td>
<td>2,452.60</td>
</tr>
<tr>
<td><strong>Income generated</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number crates sold/15 per crate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of mangoes</td>
<td></td>
<td>2,700.00</td>
<td>3,750.00</td>
<td>3,150.00</td>
<td>1,500.00</td>
<td>4,725.00</td>
<td>15,825.00</td>
<td>3,165.00</td>
</tr>
<tr>
<td><strong>Total sales</strong></td>
<td></td>
<td>2,700.00</td>
<td>3,750.00</td>
<td>3,150.00</td>
<td>1,500.00</td>
<td>4,725.00</td>
<td>15,825.00</td>
<td>3,165.00</td>
</tr>
<tr>
<td>Net Profit</td>
<td>465.00</td>
<td>725.00</td>
<td>563.00</td>
<td>320.00</td>
<td>829.00</td>
<td>2,902.00</td>
<td>580.40</td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>----------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>Net Profit Margin (%)</td>
<td>17.22</td>
<td>19.33</td>
<td>17.87</td>
<td>21.33</td>
<td>17.54</td>
<td>18.34</td>
<td>18.34</td>
<td></td>
</tr>
</tbody>
</table>

**Table 2.** Individual interviews for 10 producers’ findings

<table>
<thead>
<tr>
<th>Detailed items</th>
<th>TRADER 1</th>
<th>TRADER 2</th>
<th>TRADER 3</th>
<th>TRADER 4</th>
<th>TRADER 5</th>
<th>TRADER 6</th>
<th>TRADER 7</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost incurred</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent/storage</td>
<td>300</td>
<td>500</td>
<td>200</td>
<td>250</td>
<td>325</td>
<td>440</td>
<td>275</td>
<td>2290</td>
</tr>
<tr>
<td>Electricity</td>
<td>100</td>
<td>125</td>
<td>110</td>
<td>90</td>
<td>100</td>
<td>90</td>
<td>110</td>
<td>725</td>
</tr>
<tr>
<td><strong>Wastage (No. of crates lost)</strong></td>
<td>150</td>
<td>189</td>
<td>86</td>
<td>116</td>
<td>90</td>
<td>123</td>
<td>68</td>
<td>822</td>
</tr>
<tr>
<td>Total cost of wastage</td>
<td>4500</td>
<td>5670</td>
<td>2580</td>
<td>3480</td>
<td>2700</td>
<td>3690</td>
<td>2040</td>
<td>24660</td>
</tr>
<tr>
<td>Transportation cost</td>
<td>600</td>
<td>550</td>
<td>500</td>
<td>650</td>
<td>520</td>
<td>490</td>
<td>480</td>
<td>3790</td>
</tr>
<tr>
<td><strong>No. of crates bought</strong></td>
<td>800</td>
<td>1255</td>
<td>580</td>
<td>690</td>
<td>725</td>
<td>966</td>
<td>585</td>
<td>5601</td>
</tr>
<tr>
<td>Cost of buying a crate (ZMW15)</td>
<td>12000</td>
<td>18825</td>
<td>8700</td>
<td>10350</td>
<td>10875</td>
<td>14490</td>
<td>8775</td>
<td>84015</td>
</tr>
<tr>
<td>Total Costs</td>
<td><strong>17500</strong></td>
<td><strong>25670</strong></td>
<td><strong>12090</strong></td>
<td><strong>14820</strong></td>
<td><strong>14520</strong></td>
<td><strong>19200</strong></td>
<td><strong>11680</strong></td>
<td><strong>115480</strong></td>
</tr>
<tr>
<td><strong>Income generated</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of crates sold</td>
<td>650</td>
<td>1066</td>
<td>494</td>
<td>574</td>
<td>635</td>
<td>843</td>
<td>517</td>
<td>4779</td>
</tr>
<tr>
<td>Selling price per crate (ZMW30)</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>210</td>
</tr>
<tr>
<td>Total Sales</td>
<td>19500</td>
<td>31980</td>
<td>14820</td>
<td>17220</td>
<td>19050</td>
<td>25290</td>
<td>15510</td>
<td>143370</td>
</tr>
<tr>
<td>Net Profit</td>
<td>2000</td>
<td>6310</td>
<td>2730</td>
<td>2400</td>
<td>4530</td>
<td>6090</td>
<td>3830</td>
<td>27890</td>
</tr>
<tr>
<td>Net Profit Margin (%)</td>
<td>10.26</td>
<td>19.73</td>
<td>13.94</td>
<td>23.78</td>
<td>24.08</td>
<td>24.69</td>
<td>19.45</td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>58130</td>
<td>92170</td>
<td>42920</td>
<td>50670</td>
<td>54100</td>
<td>71742</td>
<td>43900</td>
<td>413632</td>
</tr>
</tbody>
</table>
### Table 3. Chankwankwa Farms and Food Processors findings and profitability

<table>
<thead>
<tr>
<th>Item</th>
<th>QUANTITY</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mango Pulp 40%</td>
<td>2 crates/boxes</td>
<td>ZMW30</td>
</tr>
<tr>
<td>Sugar</td>
<td>2.5kg</td>
<td>ZMW35</td>
</tr>
<tr>
<td>Electricity</td>
<td>39.84kwh</td>
<td>ZMW12.35</td>
</tr>
</tbody>
</table>

#### Mango jam processing enterprise profitability

**Table 3.1. Costs incurred to produce 50 bottles of Mango Jam**

<table>
<thead>
<tr>
<th>DETAILS</th>
<th>QUANTITY</th>
<th>UNIT PRICE(ZMK)</th>
<th>TOTAL AMOUNT(ZMW)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SALES</strong></td>
<td>10,500x500ml bottles</td>
<td>ZMW8/bottle</td>
<td>ZMW84,000</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>VARIABLE COSTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crates of mango</td>
<td>420 crates</td>
<td>ZMW15/1 crate</td>
<td>ZMW6,300</td>
</tr>
<tr>
<td>Ingredients</td>
<td>Lumpsum</td>
<td>Lumpsum</td>
<td>ZMW1,300</td>
</tr>
<tr>
<td>Sugar</td>
<td>525kg</td>
<td>ZMW14/kg</td>
<td>ZMW7,350</td>
</tr>
<tr>
<td>Electricity (Production and Storage)</td>
<td>108kwh/week</td>
<td>ZMW0.31/kwh</td>
<td>ZMW2,594.40</td>
</tr>
<tr>
<td>Carriage inwards</td>
<td>-</td>
<td>ZMW180/month</td>
<td>ZMW1,080</td>
</tr>
<tr>
<td>Bottles</td>
<td>10,550 bottles</td>
<td>ZMW1/bottle</td>
<td>ZMW10,550</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td></td>
<td></td>
<td>ZMW29174.4</td>
</tr>
</tbody>
</table>

**Table 3.2. Income statement for 6 months**

<table>
<thead>
<tr>
<th>DETAILS</th>
<th>QUANTITY</th>
<th>UNIT PRICE(ZMK)</th>
<th>TOTAL AMOUNT(ZMK)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Other expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous@2%</td>
<td>Lumpsum</td>
<td>Lumpsum</td>
<td>ZMW1,680</td>
</tr>
<tr>
<td>Advertising and promotion</td>
<td>Lumpsum</td>
<td>Lumpsum</td>
<td>ZMW3,000</td>
</tr>
<tr>
<td>Packaging</td>
<td>50 bottles</td>
<td>Lumpsum</td>
<td>ZMW6,300</td>
</tr>
<tr>
<td><strong>Total Variable Costs</strong></td>
<td></td>
<td></td>
<td>(ZMW40,154.40)</td>
</tr>
<tr>
<td><strong>GROSS PROFIT</strong></td>
<td></td>
<td></td>
<td>ZMW43,845.6</td>
</tr>
<tr>
<td><strong>FIXED COSTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation of pulping machine</td>
<td>ZMW520/year</td>
<td></td>
<td>ZMW260</td>
</tr>
<tr>
<td>Depreciation of juice fine filter</td>
<td>ZMW1,000/year</td>
<td></td>
<td>ZMW500</td>
</tr>
<tr>
<td>Depreciation of Mitsubishi Canter</td>
<td>ZMW2,600/year</td>
<td></td>
<td>ZMW1,300</td>
</tr>
<tr>
<td>Labour costs</td>
<td>10people</td>
<td>ZMW1,050/worker</td>
<td>ZMW10,500</td>
</tr>
<tr>
<td>Carriage outwards</td>
<td></td>
<td></td>
<td>ZMW2,600</td>
</tr>
</tbody>
</table>
Total fixed costs | ZMW15,160
---|---
Total expenses | (ZMW55,314.40)
NET PROFIT | ZMW28,685.60

Net profit margin

Net profit margin (%) = (net profit/sales) x 100
It is required to measure an extent to which a business is generating profits.

\[ \text{Net profit margin} = \frac{\text{ZMW28,685.60}}{\text{ZMW84,000}} \times 100 = 34.1\% \]

Figure 1. Net profit margin for each market player

Figure 2. Mango Jam from Chankwankwa farms and Food Processor in Kabwe, Zambia
Figure 3. Chankwakwa food processors branding/marketing (courtesy of chankwakwa food processors and the safe project)

Figure 4. Mango fruit sold without adding value (Courtesy of Lusaka Times)

Acknowledgement

I want to acknowledge the Almighty God who gives me wisdom and strength to conduct this research. I want also to acknowledge the work done by SAFE Project on Chankwankwa Farms and Food Processors that has given me an insight in the Mango processing industry. The work of the Natural Resources Development College student Mr Dexter Mambwe on the profitability of the mango processing enterprise was of value to my research. I also acknowledge Texila American University Student Mentor Mr Manoj. J. Kumar for his tireless effort to make this research possible. I acknowledge also Mr. Decision Mweemba and Mr. Jeremiah Mweemba who contributed financially towards this research work. I am equally indebted to my family namely Precedence Mweemba and Lweendo Beene who gave me space to work on this paper.

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An Investigation into Perception of Internal and External Business Environment by Small Medium Enterprise (SMES) – A case of Maramba Market in Livingstone, Zambia

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Abstract

This article is an extract of one of the objectives to the study that investigated the perceptions of small medium enterprises at marimba market in Livingstone district of Zambia. The study objectives were to establish the current status of small medium enterprises in the market and to determine the challenges of implementing their business ideas. Three leading entrepreneurs were interviewed to check their opinion and these deal in different products which are similar to other traders. 

Data was collected using semi-structured questionnaires and an observation schedule. One questionnaire was used to collect data from the executive committee of the market and board members while another gathered data from the small-scale business owners. An observation schedule was used to collect data which seemed difficult to collect through semi-structured questionnaires. Qualitative data was analyzed and presented thematically, while quantitative data was analyzed through Social Package for Social Sciences (SPSS) and was presented in form of tables and figures.

The findings of the study were that small scale business enterprises held positive perceptions on the introduction of small capital investment for small medium enterprises in the market places such as marimba. However, most well-established business men and women held a negative attitude towards small medium enterprises due to informal trading approach. Numerous challenges to the successful implementation of the business plan and ideas in various sectors of the business. They included: some new comers in the business sector who preferred other products which do not suit the demand of the given context and this has led to a huge challenge because both the internal and external environments have not been read well by the small business enterprises.

The study suggested the following coping strategies and measures: Continuing business Professional Development (CBPD) meetings, increased administration and financial support, provision of small medium enterprises with equipment and infrastructure, sensitization on the importance of small business enterprises in the economy and the enhancement of the human resources with the knowledge of understanding the current business trends globally so as to avoid certain shocks which might come out as result of failure to read the market well.

Keywords: Investigation, Perceptions, Internal and external, business environment and small medium enterprises.

Introduction

Background to the Study

The origin of small medium enterprises can be traced back to the origin of mankind and that the subject forms an element of life. Mwanakatwe (1965) alludes that small business enterprises were introduced after independence in a formal way in Zambia business sector during the colonial period. Studies conducted on the history of business reveals that small businesses and others has always been in existence though regarded with varying degrees of importance and mostly stressing practical business activities without formal approach.

Small medium enterprises have been facing a number of implementation challenges in Zambia. Since independence, the Ministry of commerce trade and industry has implemented certain policies in an effort to protect the small business from exploitation by big businesses. The introduction of physical education during this period was not seriously done because there was no public awareness
administered at any level of marketing in the Zambian markets. With this and many other challenges, most markets managed to include the elements of small medium enterprises (Mutiti, 2011).\textsuperscript{[18]}

Despite these challenges, most small medium enterprises management never got concerned with what went on in markets regarding the implementation of business plans. In that case, very little importance was attached to the business sector as it was considered a time waster in the preparation of small businesses which were emerging. Small medium business owners would always complain about how low the sector was ranked on the in the chamber of commerce trade and industry. Well meaningful enterprising businesses would implement the business but they received negative support and comments from all the stake holders from both senior businesses and the community. The kind of business that went on in such cases was also haphazardly done since no proper routine was followed. In most cases, small scale businesses would be left on their own doing business without the guidance of their friends who are well established.

However, the Ministry of commerce trade and industry has realized that small business medium enterprises have a unique but not exclusive role to play in the economy, MCTI (1996) and up holds the importance that the sector plays in promoting economic activities among people. Learners’ physical, mental, social, emotional and spiritual development. This role is in two-fold; to enhance the business creativity and wellbeing and to teach them a wide range of business skills. Small business enterprise prepares the business owners physically, socially, mentally, emotionally, intellectually and culturally so that they can effectively contribute to national development.

Mufalali (1974)\textsuperscript{[16]} states that the business environment both internal and external helps to develop a health mindset towards business. It also gives appropriate alternatives to individual business learning styles, interests and problems. It includes among other things all practices that foster good business promotion, character building and acceptable values and attitudes in society as one do business. Internal and external environment offers scope for experimentation skills due to pressure from both sides, dramatization practices, excitement and freedom. This scope digs up the hidden and undeveloped sources of inherent skills and ability in the business sector so as to make them aware and develop confidence in their usage. Chamber of commerce (1995)\textsuperscript{[15]} asserts that business environment helps to prepare a business for what lays ahead of them. (1998)\textsuperscript{[4]} maintains that business activities employed in both internal and external environment make customers healthier in making decision about the product to buy.

While business environment is acclaimed as having immense benefits for people as well as the economy, Kilimbae (1991)\textsuperscript{[11]} showed that, it is characterized more by neglect than by attention and that in some African business industry, the status remained questionable due to the fact that it was non-examinable. Musangeya et al, (2000)\textsuperscript{[17]} adds that in some areas it was rated lowly and still at its infant stage, people had negative attitudes towards it. Negative attitudes arose when business owners were unaware of the matter and responsibilities of implementing the subject.

Many societies as restricted rules to business, and that its importance was to satisfy the market and recreational drives of man (Shehu, 2001).\textsuperscript{[23]} In its quest to improve the quality of business in Zambian trading sectors, the Ministry of commerce trade and industry (MCTI) ought to revise the trade policy in order to address serious issues in the business environment so as to avoid business facing the pain.

**Statement of the problem**

For a long time in Zambia small medium enterprise have been sidelined as a sector due to the lack of national interest in the area (Mutiti, 2011).\textsuperscript{[18]} In 2013 the Government of the republic of Zambia through the Ministry of Commerce Trade and industry revised the business policy. The revision of the Zambian business by the Ministry saw an introduction of formal business connected to the issues on the ground. Since the introduction of small business enterprises in however, little or no research has been conducted to investigate the perceptions on the internal and external business environment by the small business enterprises.
Significance of the study

The findings of this study may enable the policy makers in the Ministry of Commerce Trade and Industry (MCTI) to find remedies in addressing the perceived perceptions among the small medium enterprises. The outcome of this research, might also contribute to the business sector and the nation economy at large to appreciate and finally this study has contributed knowledge to the scholarly world.

Study location

The study was conducted in Livingstone District in the Southern Province of Zambia. Maramba market was selected to take part in the study. This was the only market that took part in this. The researcher knew that the selected market was in the position to provide him with necessary respondents since they all had an opportunity to choose this type of business to offer to their community.

Literature review

Internal and external business environment in relation with small medium enterprises is an absolutely fundamental and essential part of a balanced approach in the world over. It provides a contrast to the relative inactivity of the business setting and has both physical and economic benefits to socio-economical sector. No other single factor in the business environment provides the stimulation for mind and body to work together in harmony among business owners.

Price (1980)\(^{[21]}\) reviewed that awareness, movement experiences are fundamental to any program. As one of the least considered business prospects of the institutions (Casey and O’donavan, 2015). \(^{[3]}\) Business environment has repeatedly sought to be seen as a legitimate venture with equal standing to its traditionally more highly valued venture in business sector.

The existence of formal enterprise is expected to bring about a significant change in the landscape for business environment of small medium enterprises. Previous research conducted in England revealed that the introduction of equity partners in business and equal trade fair through improving ways of doing business.

In her research on business environment perceptions of externally prescribed in Scotland, MacPhail (2007)\(^{[13]}\) found that many business owners felt that they and their departments were well positioned for a number of reasons. These included firstly, that they were motivated in at this level and believed that they would be successful in gaining high gains for their customers.

From these outcomes MacPhail (2007)\(^{[13]}\) reported that some “admitted that the more attractive feature of the introduction of examinable business as opposed to addressing customer needs was the rising of their own status.” Interestingly the conviction that small business enterprises have sufficient expertise to contrasts with concerns about the business content knowledge of neophyte (Siedentop, 2002).\(^{[24]}\)

In considering a landscape dominated by other foreign business owners, Siedentop (2002)\(^{[24]}\) argued that as a consequence of rapid reconceptualization as an important aspect, the practitioner was being increasingly stripped of the basic knowledge needed to practically operate in this sector. Siedentop (2002)\(^{[24]}\) concluded that while a return to the days of focusing on practical business skills was not the solution, small medium business owners did need to understand both theoretically and as performers. In other words they needed to greatly enhance their practical ways and knowledge.

In his thought on the future of small business enterprises and the business environment, Kirk (2010)\(^{[12]}\) maintained that the dominant and change-resistant form of the internal and external environment stunted growth of business. Kirk (2010)\(^{[10]}\) also proposed, in keeping with the arguments of Siedentop (2002),\(^{[24]}\) that the examining business environment has led to a form of an approach that has seen a “reduction and marginalization of the experience of practical activity which in turn has produced business owners who are better suited to run small businesses.

The provision of national business policy is a new concept in Zambia and is expected to boost the implementation of business in Zambian. A general understanding of this concept is that, examining small business with good business environment will raise the importance and status of the matter.
Dunn and Fait (1987)[6] point out that business environment provides experiences that will enhance growth of the business. Business owners must therefore, be encouraged to teach new comers in the industry concepts and skills inherent in a wide selection of business. Ministry of Commerce Trade and Industry (1996) [15] states that Zambia needs to improve ways of doing business by creating a conducive environment in the existing labor market. As almost all of the factors that determine effectiveness are in need of special attention. This shows that support for improved equipment in are needed in all.

Mwanakatwe (1965)[10] business environment in Zambia was very common predominantly during traditional methods of doing business and that it included practical training designed to provide good upbringing of the individual member of a given group to live a useful and happy life in society. The description of by Mwanakatwe(1965)[19]business environment with the focus on internal and external environment emphasizes that it was aimed at the development of the peoples emotional, social and intellectual capabilities of citizens. It is stated that the ways in which people use this ability is related to other aspects of their functioning as whole persons.

**Research methodology**

**Research design**

This study was designed in form of a case study. A case study was being adopted because it allowed for the collection of data in a particular business environment and gave a detailed description about a phenomenon. The study used both qualitative and quantitative techniques with the help of semi structured questionnaires for data collection. This approach helped to get many views from both written materials and those on the ground to enable the researcher come up with concrete conclusions and recommendations. Phenomenological approach was also be used to gain a deeper understanding of the experiences of individual businesses. This helped the researcher understand how participants experienced some phenomenon and how they described an extent of the situation since participants had lived the experience as opposed to third party experience.

**Target population**

The study targeted maramba market in Livingstone District of Southern Province; all small medium enterprises businesses were also taken on.

**Sample size**

The total sample size of this research was sixty (60) participants who comprised of three (3) Big business owners, thirty (30) small business owners, (27) twenty-seven consumers who form part of the community where the business take place.

**Sampling procedure**

The study used multistage sampling technique. The researcher used purposive sampling method to select the big business owners, small business owner and the category of consumers. Simple random sampling technique was used to select the small business owners from the market place.

**Instruments for data collection**

The researcher carefully prepared two different types of semi-structured questionnaires for members of big business, small business owners and consumers. The other questionnaire was specifically prepared to gather data from the general members of the community. In addition to that, the researcher prepared an observation schedule which he used for conducting observations in the market that took part in the research.

**Data analysis techniques**

Data collected was analyzed through Statistical Package for Social Sciences (SPSS) version 20 software and used excel to generate figures and tables. Qualitative data was analyzed following emerging themes and sub themes.
Findings and discussion

Figure 3.1 below indicates respondents’ view on whether investigation in the’ perception on internal and external environment had a major role to play in the implementation of small business enterprises. The analysis indicates, thirty-two giving a percentage of 53% of the respondents who strongly agreed while twenty-four representing 40% agreed that small medium business perception on business environment played a major role in the implementation of business plan. On the other hand, four respondents representing 7% disagreed to the statement. The results meant that a majority 93% of the respondents supported the assertion that small medium business perception had a major role to play in the implementation of business.

![Figure 3.1. Small Medium Enterprises’ Perception on internal and external business environment plays a major role in determining the Implementation of business](image)

The study established that the current status of external and internal business environment is worrying. However, the analysis of the research results revealed that the introduction of small medium enterprises by the government through the Ministry of Commerce trade and industry (MCTI) in the market was expected to result in changing the negative attitudes held by administrators in the business sectors, some of the business owners, traders of other products, the community and manufacturers. Change of attitude by administrators was expected to result in more budgetary allocation to growing more entrepreneurs. More budgetary allocation to the sector meant empowering the people with more finances which would enable the sector to acquire enough products, improving and developing of wellbeing of the economy in order to facilitate growth domestic products.

The findings of the current research were consistent with the state of doing business in the United Kingdom (UK). Ways of doing business as small business in England is regarded as a valuable and a necessary element respected and adequately budgeted for (Green, 2005)[8]. In this regard Green, (2005)[9] found that small medium enterprise’ perceptions of internal external environment had a great influence on the implementation of business in the market place. A positive perception and adequate support towards it was also expected to reduce the gap that exists between major and minor business owners and those of other tradition business since an improvement in the participation in economic activities by the business community would tremendously improve their performance in all aspects of business, the situation which would be appreciated by all the stakeholders in the Ministry of Commerce Trade and Industry.

The current study has established that the current status of internal and external business environment in market places is such that there exists a gap between major and minor business owners and those doing fine usually undermine the achievements of the small ones and this situation limits the growth of business sector. The current study was however consistent with Hardman (2008)[10] who noted negative attitudes amongst business owners and said small business enterprise was
regarded a lower status, peripheral way of doing business, as non-constructive and vocationally non-productive, lacking in business value and merely as a compensatory economic activity.

In this regard, the current study emphasized the importance of according internal and external business environment small medium enterprise a status comparable to that of big or major businesses equal environment despite the situations. Such consideration is an important condition for the success of business introduced in market.

The study revealed that if administrators and small medium enterprises’ perception of internal and external business environment could be changed toward helping newcomers on the market, in return the consumers would be more excited and see small businesses grow all altogether. The study also established that both internal and external business environment usually faced great difficulty in getting business operating permission from commerce trade and industry offices to allow them to take part in economic activities especially those performed within and outside the market. The study revealed that at the market under study, a skilled and talented business woman in business always hesitated to accompany the other big business owners because they looked at her as still young in the business and lacks the ideas. This scenario indicates that among business owners who are doing well currently hold negative perceptions towards internal and external business environment.

![Figure 3.2. Business owners accounting for internal and external business environment](image)

In response, as figure 3.2 above indicates, it was discovered that twenty two participants of sixty comprising of business administrators and major and minor business owners representing 37% strongly agreed to the assertion that only a few small business enterprises implemented their business despite the external and internal shocks on the market, while thirty four representing 57% agreed and only four out of sixty representing 6% of the respondents strongly disagreed to the assertion. This meant that a majority 47 respondents out sixty culminating into 94% were in support of the statement that most small medium enterprises adopted other business pathways and sort.

The current study realistically established that out of the total number of small business enterprises that took part in the survey, only one enterprise implemented her own business despite shocks on the market. Therefore, the current study established that negative attitude towards internal and external business environment mainly by the business administration and major business owners, who are responsible for choosing the direction to be implemented in market, were the major cause of dropping in the business. Respondents were again asked to state what they considered most for them to choose to implement both internal and external business environment as important factors for their business in the market.
In response to this, ten of the sixty respondents culminating into 16% indicated that they considered teacher’s interest in the subject for them to implement the vocational pathways in their schools, twenty eight out of sixty representing 46% of the respondents indicated that they considered the value of the subject under implementation, ten of the sixty respondents culminating into 17% indicated that it was an administrative order for them to implement a particular pathway while the remaining twelve giving a representation of 20% of the respondents responded that they followed pupils’ interest. However, a majority of 46% of the respondents indicated that they considered the value of the subject for them to implement a particular pathway. The fact that physical education was less implemented in secondary schools as compared to other subjects meant that administrators, teachers including pupils considered physical education and sport to be of less value than other subjects.

The current study advanced other reasons for only a few schools having implemented Physical Education and Sport. They included the lack of adequate sports infrastructure and equipment in all the schools under study, inadequate trained teachers of Physical education and Sport and the negative perception by most teachers and administrators that it was expensive to implement Physical education and sport as compared to other subjects on the school curriculum. One of the schools felt that a hilly terrain at their schools would not support the implementation of physical education and sport and they automatically considered implementing other subjects in place of physical education and sport. It was however, surprising to note that some schools thought that physical education and sport was still unexamimable subject and indicated that the absence of examinations would make it difficult for most schools to implement Physical Education and Sport.

When asked to comment on whether the introduction of examinations in physical education and sport in secondary schools would raise the status of physical education, a majority of respondents thought that the presence of national examinations in secondary school physical education and sport would boost the status and value of the subject. It was sad however, to note that though the respondents felt that examinations in physical education and sport would boost the status of the subject, only one school out of the three successfully implemented the subject.

The inferiority of physical education as an academic subject is worrying. The current study revealed that pupils, administrators and teachers who took part in the study considered physical education and sport as an inferior subject as compared to other vocational pathways. When asked to comment on the perception that learners who took physical education and sport as a subject were looked down upon by pupils taking other subjects, twelve out of the sixty respondents who took part in the study culminating into 20% strongly agreed that pupils who took physical education and sport as a subject were indeed looked down upon by fellow students who took other subjects, thirty two
respondents representing 53% agreed, while sixteen respondents representing 27% of the total sixty respondents disagreed to the statement. From this analysis, the results indicate that a majority of 73% respondents supported the statement that pupils taking physical education and sport were looked down upon by pupils taking other subjects.

**Figure 3.5.** Physical Education and sport is considered inferior

One pupil was heard saying physical education was meant for the academically underperforming students to be kept in school. The perception that most pupils and people hold about physical education is that, it is not an intellectual subject hence, befitting those students with academic performance challenges. The study also established that parents and pupils had fears about pupils taking physical education and sport not easily accessing good jobs in future. This study established that people have a perception that, it would be very difficult for pupils taking physical education and sport to access good jobs after completing school. The current study was however not consistent with the study conducted by Green (2005)[27]. In England which established that, pupils had a lot of employment opportunities in physical education presented to them in the post school environment.

Therefore, physical education and sport in our context and that of England are not the same and this calls for the authority to use appropriate measures of contextualising the subject in order to address issues taking place in our context.

Negative perception towards physical education and sport by most administrators, subject teachers and pupils was one of the areas that hampered the successful implementation of physical education and sport in most secondary schools.

**Figure 3.4.** Most teachers and pupils have a negative attitude towards physical education

After conducting an analysis, out of the sixty respondents ten representing 17% strongly agreed, that most teachers and pupils had a negative attitude towards physical education and sport. While thirty culminating into 47% agreed to the assertion. However, twelve representing 20% of the respondents disagreed and another ten representing 17% of the sixty respondents strongly disagreed to the assertion that most teachers and pupils had a negative attitude towards physical education and sport. The study however, established that a majority of forty respondents culminating into 64% of the respondents perceived that most teachers and pupils had a negative attitude towards physical education and sport. The study revealed negative perceptions of most pupils and teachers towards examinations in secondary school physical education and sport possibly due to the low status of physical education in most secondary schools and the perceived lack of employment opportunities for physical education students after completing school. Most pupil respondents who indicated positive attitudes towards examinations in secondary school physical education seemed to be good at sport and though this would be a way of continuing their education and getting qualified in something they deem to be their strengths.

However, pupil respondents who showed negative perceptions towards examinations in secondary school physical education tend to be the children that are highly academic and as a result tend to pursue more of a scientific area and those students who were not very good at physical education in the first place. Students’ participation in physical education and sport has a lot of benefits, for instance; athletes enjoy the increase in physical fitness, introduction to a healthy lifestyle and also to a life-long sport or a career in sport. Despite the advantages outlined, respondents reported low levels of interest to participate in physical education and sport lessons as they thought the subject was not important in their lives. The current study has further revealed that, teachers trained in physical education did not actually teach the subject in their schools but taught other subjects instead. The reasons advanced for this situation were that administrators and physical education teachers had a negative perception towards physical education and that such schools never implemented physical education pathways hence teachers taught other subjects.

This attitude, resulted in pupils concentrating more on other school subjects which they perceived would contribute to their overall mark in the academic subjects. The situation suggests that examinations in secondary school physical education were very important in contributing to the overall raise of the status of physical education and sport in secondary schools which would in turn
influence a greater level of participation in both physical education and extra curricula activities by both teachers and pupils.

Conclusions and Recommendations

In the light of the analysis and discussion of the teachers’ perception towards examinations in secondary school physical education and sport, this research report has established that most teachers of physical education and sport emphasized the need for examinations in the subject which are expected to produce a positive change of attitude towards physical education and sport especially on teachers of other subjects, administrators especially those specialized in other subjects other than physical education and sport and parents as well as the society at large.

Teachers of physical education and sport felt that the introduction of examinations in secondary school physical education and sport would highly motivate students to participate in both physical education and sport as a subject and as sporting activities in secondary schools. The current study established that it is the perception held by administrators and teachers that affected the decision to either implement physical education and sport or implement other vocational pathways in their institutions. The study concluded that teachers’ perception played a major role in determining the implementation of physical education and sport in secondary schools. The study established that only one secondary school out of the three secondary schools implemented physical education and sport as their vocational pathway subject while the rest decided to implement other subjects. The study has also revealed that administrators, teachers and pupils reported that learners who took physical education and sport in their classes were looked down upon by learners taking other subjects. Reasons given for such a perception were that, it was difficult for pupils taking physical education to find good jobs after finishing school and that the subject was considered an extracurricular activity and not an academic subject. To add on, this research has established that most physical education and sport trained teachers taught other subjects other than physical education and Sport in their schools. This scenario indicates that physical education and sport was less implemented in most secondary schools.

The study has however made the following recommendations: 1. The Ministry of General Education for instance, Senior Education Standards Officers Expressive Arts (SESO) should review and audit school facilities to ensure students have access to the necessary equipment to meet the requirements of examinations in secondary physical education. 2. The Ministry of General Education and teachers should conduct sensitization campaigns to help correct the perception that physical education and sport is a co-curricular and non-essential subject. 3. School administrations should fully support the Expressive Arts Departments by increasing funding to enable them buy and improve physical education and sport equipment and infrastructure to effectively implement examinations in physical education and sport in secondary schools. 4. The government should deploy more teachers of physical education and sport to secondary schools. 5. Physical education teachers should be appraised and supervised by qualified physical education personnel since working under a Head of Department (HOD) specialized in other subjects other than physical education impacts negatively on prestige and professional development.

References

Alcoholism and its Impact on Family and Finance

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Abstract

Alcoholism leads to a range of negative effects starting from falling financial stability of family to domestic violence, child neglect, broken marriages. Its impacts are physical, mental, social and financial, persons into alcoholism are usually not successful in anything which they try to do in life. Once alcoholic person builds addiction to the drug the tolerance level towards the drug increase and so thus the expenses on it. The addiction bars them from taking right financial decisions major fund flows towards drinking addiction and finally they land up with no money and family issues. The family of such addicted people tries to help them in overcoming this habit, but anis enabling, a term meaning that families in order to help them become protective and not allow them to face consequences of by helping them in covering the problems. This does not stop the drinking patterns. By trying to keep family intact they extend the cycle of addiction, which should be addresses as a family problem to break this cycle. The efforts taken by family with good intentions have negative impact on the addicts.

Introduction

Alcoholism and drug related behavioral and medical complications are major concern for policy planners and health professionals of most countries. Alcoholism within a family is a problem that can destroy a marriage or drive a wedge between members. The alcohol related harm is not only problematic with heavy directing alone, but drinking and drunkenness affects people in many different arena’s such as at home and work place etc. In India alcohol and alcohol abuse had a long history. Patterns of use and problems resulting from the consumption however have shown significant changes during the last decades. The problem of economic consumption of alcohol is a major cause of public health concern both in urban and rural areas.

Addiction of anything is problem and if it is addiction of alcohol than it becomes a family problem and a major source of stress for family members. From the research it has been found that there are different types of harms from other’s drinking such as physical harm, psychological illness, violence, disrupted family roles and emotional and social problems.

The disease of alcoholism creates impairment in alcoholics that makes it impossible for them to respond appropriately to the needs of family. There are many alcoholism families which develop their own survival system to maintain themselves in the midst of chaos and confusion. They become cautious to avoid further complicating the existing problems of alcoholism. However, they are constantly adapting their behavior in order to survive the unhealthy situation.

Literature review

Alcohol-related harm is commonly regarded as harm to the drinker, but it extends far beyond the drinkers themselves, as it affects others in a number of arenas and social situations.

Alcohol’s harm to others adds to the total burden of alcohol-related harm particularly in the areas of health and social services and years lived with disability (Hope, 2014). Workplaces, public settings and the home are often cited as typical settings for experiencing harm from others’ drinking. Various groups, such as children, families and young adults may also be at particular risk from the adverse effects from the drinking of others.

Considering the effects of problem alcohol use beyond the drinker is not a novel approach. Harm from others’ drinking and, in particular, harm to children and families were already on the agenda of
the European and American temperance movements, as well as on the agenda of women’s rights movements in the early twentieth century. Recently the harm to others approach has resurfaced.

– Alcohol’s harm to others as a concept was reinvented in the early 2000s partly as a response to the fact that harm from alcohol to the drinker had been extensively researched, while research on harm from others’ drinking was largely neglected, says researcher Katariina Warpenius from the National Institute for Health and Welfare in Finland.

**Challenging terminology**

The issue of alcohol’s harm to others is also gaining attention in the field of policy-making. Knowledge about the adverse effects of others’ drinking is an essential requirement for policy-making which aims to prevent and reduce alcohol-related harm. So far, however, there appears to be no consensus on what exactly the issue should be called.

– In Australia and New Zealand, the adverse secondary effects of alcohol are often called alcohol’s harm to others, while “externalities” and second-hand effects are the terms of choice in the United States and Canada. In the Nordic countries harm to others and third-party harm seem to be the commonly used concepts, Katariina Warpenius lists.

Warpenius says that the issue of finding a universally accepted and useful expression has been discussed in the research community, and terms such as “collateral damage” have been suggested, but consensus has not been reached thus far. Consensus on terminology may seem trivial, but finding a useful and cogent expression that captures the full extent and variety of adverse secondary effects of alcohol is key to furthering and emphasising the broad scale of adverse effects of alcohol.

Uniform terminology is particularly relevant for non-governmental organizations as they raise awareness and lobby for public health thinking in alcohol policy-making.

Today Alcoholism has become a very challenging and a very common part of life and its likely effects the Personal and Financial Life. Alcohol-related harm is commonly regarded as harm to the drinker, but it extends far beyond the drinkers themselves, as it affects their family members and social situations, which leads to financial loss with them.

Learning more about the *Alcoholism and its impact on Family and Finance* study shows that Alcohol’s harm to others adds to the total burden of alcohol-related harm particularly in the areas of health and social services and years lived with disability (Hope, 2014). Workplaces, public settings and the home are often cited as typical settings for experiencing harm from others’ drinking. Various groups, such as children, families and young adults may also be at particular risk from the adverse effects from the drinking of others, as we studied in the previous research papers like *ALCOHOL’S Harm to others: what is it and why is it important by* Nina Karlsson.

For instance, a person who is intoxicated may be apt to spend more money than planned at a bar. Even drinking at home does not provide a shield against spending when inhibitions are low. The Internet opens up an entire world of shopping possibilities. The “beer goggles “effect can make an item seem more attractive and the purchase price more inviting, and increase the likelihood of an unnecessary purchase. Work productivity can suffer from alcohol abuse. Finances are about more than the dollars earned; they also include earning potential. Studies show that drinking can affect work or academic productivity at every phase of working life.

Drinking heavily is associated with a host of health consequences that will likely need medical attention, such as cardiovascular illnesses, pneumonia, cirrhosis, pancreatitis, and different forms of cancer.

According to the Centers for Disease Control and Prevention, binge drinking results in $171 billion a year in healthcare-related costs and lowered employee productivity. Alcohol abuse can lead to an increase in debt, especially credit card debt, in numerous ways, such as:

- An inability to pay down credit card bills as income from work lessens
- Increased credit card charges to cover the gap between expenses and reduced income
- Charges for alcohol or alcohol-related activities such as partying or gambling
- Forgetfulness about when to make payments, resulting in late fees and other penalties

Children and extended family members, as mentioned, can become codependent on a loved one’s alcohol abuse, or at least be significantly affected. According to the American Academy of Child and
Adolescent Psychiatry (AACAP), one in every five adult Americans resided with a relative who abused alcohol in their adolescence

- Fail classes in school
- Overachieve in school or seek perfection
- Become truant
- Act like a parental figure
- Engage in risky behaviors
- Be unable to make or bond with friends
- Steal and/or become violent or aggressive
- Manifest physical illnesses
- Abuse alcohol and/or other drugs

Suffer depression, even suicidal thoughts

People affected by the drinking of near and dear ones

The Consumption of alcohol affects the near and dear one’s of families and it’s also cause the whole family to feel like they are under constant stress. Family members of those who struggle with alcohol abuse need to learn to practice self-care. In a family the most affected members are the spouse. It gives a negative effect on the spouse of an alcoholic person and the stress of living with alcoholic is registered in the body. There is a physical response to fear, to anxiety, to guilt, self-pity, to worry and result of all these are high blood pressure, breathing difficulties and migraine etc.

Alcoholism affects the children in a manner that they require positive role model and stability to move their life but with alcoholic family members they can lack this. They will see arguments with parents affecting their psychological welfare.

When the life of a family is not predictable because of the alcoholic person behavior then family reorganizes itself around new unhealthy rules, roles and protect it from breakdown.

One of the sad facts of living with an alcoholic is that wife became emotionally and mentally sick as the alcoholic. The reason for this is that in every stage of life she takes and every breathe of air they breathe is related to some involvement with the alcoholic. Their emotions overtake their own mental health as they try and cope with the deterioration of the alcoholic in their life.

Families coping with alcoholic

How a family can cope up when loved one has alcoholism. To start with the first thing is to educate you with alcoholism. As a member of family emotions is to be manage wisely. The wives of alcoholic person live with enormous amount of nervous tension. Darwin’s theory emphasizing the “struggle for survival” and an increasing emphasis on behavioral problem-solving activities, laid the foundation for “coping”.

According to Lazarus” Stress itself as a concept plays less significance for adaption compared for coping.”

“All of us have experienced in our lives that cause stress”. Horgan said, it is important that people have more than a way to manage that stress. Therefore, guidance on how to handle stress by the use of various coping strategies is important. It has been observed that there are no ways were one can make their loved one quit drinking. And wife of an alcoholic has no control over their husband’s choices but they do have controls of their own.

Impact on finances of alcohol addict

Alcohol is soluble in water and easily enters bloodstream moving towards various parts of body and it is faced by the brain most impacting reward centre and logic plus memory centre which makes a drinker feel to forget trouble and relax senses, which leads to slowly increased growth of intake. While analysis of finances clearly stated that increased expenses on alcohol was not the criteria of being an addict, many occasional drinkers spend more than regular drinkers due to choose of their drinks, community and place which they choose.

Alcoholism in India has taken a growth in past few years, earlier a social stigma of drinking alcohol being a bad habit has seen a paradigm shift as status symbol and drinkers have it to show them
as ‘cool’. The liberalized market of India had given boost to this industry and due to it, alcohol is available easily at affordable price. NSSO report of 2011-12 states that consumption in rural India increased around 28% in comparison urban India grew only 14%.

Occasional drinkers do not have tendency of over spending but people who are regular and do not limit themselves generally have a poor balance sheet. Generally, it is found that a person under addiction of alcohol recognizes his addiction at a very later stage by that time balance sheet would take a bad shape.

Multiple expenses arise due to alcohol are:
They tend to make expenditure under influence of liquor, they make a friend circle of such kind and as they order food and drinks under influence of others and alcohol. Around 70% of the respondents accepted that more than 50% of their annual budget is spent on alcohol and related items due to these addicts in the family. 9.48% respondents even agreed that legal expenses took 1% to 2% of their budget due to accidents caused by them on road, fights, police etc.

Expenses on health increased as alcohol impacts the health of addict around 50% of respondent accepted the increase of expenses in health section of their household budget. Too much of alcohol can lead to liver damage, falling sick frequently, sometime they face accident hospitalization fees and medication expenses increases.

Under influence of alcohol people tend to gamble more, it can be easily seen that most of the bars and casinos offer drinks at reasonable rate.
Slowly reduced work efficiency reduces their earning capacity and work place acceptance; many are the times the face demotions or are sent out of the organization due to reduced efficiency. At work place addicts’ absences, decreased productivity, carelessness, work culture imparity aggressive behavior at work place-physical or verbal leads to financial hardships.
It is found in the study the addiction to alcohol lead around 60% of the families towards debt. The expenses tend to increase gradually leading the family to problem.

**Methodology**

In this topic “Alcoholism and its impacts on family and finance” the research is design and selected as Exploratory research method where investigator explore the problems faced by the families of alcoholic and also to identify the coping mechanism and skills adopted by the spouses to cope with the problem and safe guard the family from the problem of alcohol. The purpose of the study is to identify the coping mechanism adopted by the wives of alcoholic. The data was collected from the wives and family members of the alcoholic they agreed to talk only if their identities are kept confidential. For this research and data collection the center selected was the AAsra foundation –De addiction in Hadapsar, Pune. In Pune total 24 Rehabilitation centers are there. Certain therapies, medical treatments and counseling sessions operates inside the centres. The attempt made by the investigator is to meet the wives attending the programmes organized by the centre. The investigator randomly selected 25 female’s respondent and interviewed them. An interview schedule has been formulated to standardize the data collection procedure.
Analysis and suggestion

- From the investigation it has been found that low educational status below SSC and 13% ‘are illiterates which neither gives professional skills nor training for own economic security.
- Families having a problem of alcoholism may influence the overall growth and development of children.
- Security of job is one of the major reasons for alcoholism which came out from the survey analysis.
- While analysis of finances clearly stated that increased expenses on alcohol was not the criteria of being an addict, many occasional drinkers spend more than regular drinkers due to choose of their drinks, community etc.
- Increase in health expenses, legal expenses, vehicle damage expenses are found under influence of alcohol, which leads to bad financial conditions.

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Telecommunication Challenges in India: Social Mental Health Perspective 2018

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Abstract

Telecommunication in India has revolutionised the process of living through disruption and then distraction and at certain times distortion. Individual consumerism has led to social and group behavioural changes. So much so that social mental health indicators need to be checked. Cell phone has become an extended organ for humans around. From faith -belief-values frame to technology driven frame of ecology and economics a paradigm shifts and shuffle is being observed. How and why of this needs to be focused and addressed for better possible outcomes through telecommunication events.

Introduction

India is the second largest cell phone consumer market behind China. Globalization is the new mantra. In this age, it is very difficult not to have technology. But with technology, come certain hazards. The only way to beat these is correct and timely information and again, better technology [4]. The telecom sector in India has traversed a very long path from government monopoly to the sector opening to the private participation. A lot of Indian business houses and foreign multinational companies participated and help India in bringing up this sector to the current state, wherein it has impacted every aspect of our lives across all states in India. It has helped India as a key enabler to the rapid growth and transforms various industries of doing business / service operations, which has eventually helped in the overall socio-economic development [2]. But the outcome of this giant entering into the social fabric need to be reassessed. Even the World Health Organization (WHO) (2011) after reviewing the studies published from year 2000 to 31\textsuperscript{st} May 2011 classified the radio frequency electromagnetic radiations/field emitted from wireless phone under group 2 B-carcinogen category. Due to this fact numbers of countries have developed health based precautionary guidelines for exposure of EMF from cell phone towers including India [5].

Social behavior, method channel and process of communication has changed significantly. The main reason has been telecommunication network spread across the country with technological features. It has been observed personally by researcher team as well as data that mobile telephony is increasing in leaps and bounds. TRAI (Telecom Regulatory Authority of India) the official government body is trying to regulate a lot but the efforts and actual control differs from reality [1]. Reduction in voice calls, increase in what’s-up app chat, selective video calls or VPN (Virtual Private Network). The nature and gesture of communication is changed drastically. Its internet-based information, addiction which motivates to continuously look into the phone and chat or explore. Drastically social behavior has changed and rationality, traditional value faith is treated as outdated or over expectation. Privacy, transparency norms and understanding has changed. Informal natural behavior is changed to conditioned and logical give and take situations. New groups, networks which have purpose-based objectives to be together is increasing day by day.

Materials and methods

The method for this research paper has been traditional literature survey and especially modern internet tools with media news reports. Literature survey though informative the dimensional data to know the severity of this problem was not found to support Indian national perspective. So TRAI reports were considered as the authentic database and various reports were the source. Internet supported data was scrolled and scanned but the perspective point of view was difficult to get so few articles are listed.
Personal professional experience and exposure to this phenomenal change as human being and researcher motivated both of us as we are working professionals in management and medicine in our region.

Hypothesis
1. Telecommunication industry in India has become the driver of social change.
2. Tele protocols and technology driven habits are replacing traditional standards of privacy and transparency.
3. Large population is exposed to technology guided behavior in transactions using mathematical intelligence.
4. Indian population is shifting towards algorithmic behavior.

**Discussion**

![Evolution of Telecom In India](image)

**Mobile Connections in India - January 2018**

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*All Operators (15,499,233) 1,167,435,645 1,151,936,422 –1%*
The cellular services industry in India has grown at a scorching pace in the last ten years, to become one of the fastest growing mobile services markets in the world. Increasing competition has benefitted customers immensely with increased choice for service providers and some of the lowest tariffs in the world. But this rapid change has also resulted in several problems for consumers such as deteriorating Quality of Service (QoS), increased electromagnetic radiation levels and customer dissatisfaction over plan information.

(Data as on Q.E. 30th June, 2018) Telecom Subscribers)

a) Wireless +Wireline
   - Total Subscribers 1,168.89 Million
   - % change over the previous quarter -3.09%
   - Urban Subscribers 652.76 Million
   - Rural Subscribers 516.13 Million
   - Market share of Private Operators 88.72%
   - Market share of PSU Operators 11.28%
   - Teledensity 89.72
   - Urban Teledensity 158.16
   - Rural Teledensity 57.99

b) Wireless Subscribers
   - Total Wireless Subscribers 1,146.49 Million
   - % change over the previous quarter -3.12%
   - Urban Subscribers 633.60 Million
   - Rural Subscribers 512.89 Million
   - GSM Subscribers 1,143.48 Million
   - CDMA Subscribers 3.02 Million
   - Market share of Private Operators 89.83%
   - Market share of PSU Operators 10.17%
   - Teledensity 88.00
   - Urban Teledensity 153.52
   - Rural Teledensity 57.63
   - Total Wireless Data Usage during the quarter 10,418,076 TB

c) Wireline Subscribers
   - Total Wireline Subscribers 22.40 Million
   - % change over the previous quarter -1.82%
   - Urban Subscribers 19.16 Million
   - Rural Subscribers 3.24 Million
Indian mental health scenario

The WHO has defined sustainable development goals and elaborated the impact of mental illnesses and suicide on them. The suicide rate in India in 2015 at 15.7/100,000 is higher than the regional average of 12.9 and the global average of 10.6. Suicide is the leading cause of death among those aged 15–29 in India. There remains a massive unaddressed need within the population. The treatment gap, as measured by the absolute difference between the prevalence of mental illnesses and the treated proportion, has been found to be 76%–85% in less-developed countries. One of the major reasons attributed to such a wide treatment gap is the problem of inadequate resources. In India, inadequacy exists in infrastructure as well as in human resources. Despite improvements in various health indicators, India contributes disproportionately to the global burden of disease. Our health indicators compare unfavorably with other middle-income countries and India’s regional neighbours. A large proportion of the population ends up impoverished because of high out-of-pocket health-care expenditures and suffers the adverse consequences of the poor quality of care. Task-shifting to non-specialist community health workers has been recommended as an effective strategy for delivery of efficacious treatments in low-resource settings. Given the dire shortage in numbers of psychiatrists, psychologists, psychiatric nurses, and social workers; piggy-backing on primary care systems and employing innovative force-multipliers are future courses of action. Considering that most of the earlier strategies to enhance mental health have not succeeded over the past six decades or more in less-developed countries, the time has come to take on a new approach with renewed vigor. Mental health awareness can become both the means and the way of ending this apathy. Progressive government policies based on evidence-based approaches, an engaged media, a vibrant educational system, a responsive industry, aggressive utilization of newer technologies and creative crowd-sourcing might together help dispel the blight of mental illnesses.
Mental healthcare professionals in India

<table>
<thead>
<tr>
<th>MANPOWER</th>
<th>REQUIREMENTS</th>
<th>AVAILABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychiatrists</td>
<td>13,500</td>
<td>3827</td>
</tr>
<tr>
<td>Clinical Psychologists</td>
<td>20,250</td>
<td>898</td>
</tr>
<tr>
<td>Psychiatric Social Workers</td>
<td>37,000</td>
<td>850</td>
</tr>
<tr>
<td>Psychiatric Nurses</td>
<td>3000</td>
<td>1500</td>
</tr>
</tbody>
</table>

**Change in social fabric**

Gestures and methods of communication changed. Voice to chat, Chat to email/what’s app, what’s app to video call, 24x7 availability of person and staying connected. Everywhere privacy standards distorted. Transparency standards changed. People becoming judgemental use technological response as emotional response. This can be described in three basic processes, so as to eliminate complexity.

- DISRUPTION
- DISTRACTION
- DISTORTION

Collectively this phenomenal description symbolically refers to technological overwhelming in epidemic form. These 3 D’s happen in every communication situation here in India. Of course, by one way or the other it happening in the world. The social practices and traditional expectations and fulfilsments in basic communication behaviour is drastically changed. Lots of cases of depression, insomnia, extreme anxiety and anger are reported at every age group. News of suicide, suicidal attempt, domestic crime has risen. The increasing use of mobile telephones and the overexposure to social networks catch our attention and cause social alarm, particularly young people and adolescents are exposed to cyberbullying either as aggressors or victims. The mobile phone is being commonly used to harass, torment and intimidate others deliberately and repeatedly. A characteristic behavior exhibited as constant checking of messages received via mobile phone, which can carry threatening and harassing remarks made about them by others leading to an increase in personal and interpersonal conflicts like feelings of anxiety, depression, low self-esteem, irritability and sleep disorders which in turn lead to excessive of mobile phone use and increased problematic Internet use. Thus, mobile users change their social and work/academic habits, tend to isolate themselves, and see their mobile as a refuge to help them look for more supportive virtual relationships, and as social substitute for face-to-face relationships with friends. As for the hours of use of mobile, results highlight that students who use mobile phones more than eleven hours a day have more conflicts with its use, and this “use” has a more communicative and emotional angle. People trying to relieve their emotional distress (boredom, loneliness, anger, nervousness, etc.) by talking on phones [3].

Abuse or dependence, behaviours that aren’t controlled by the individual, and that distance them from their normal actions. These behavioural disorders (DSM 4, CIE 10) coincide with ‘substance dependency’ as a group of behavioural, cognitive and physiological phenomenon. Mobile abuse intervenes to a greater or lesser measure on a neuronal reward circuit known as the mesolimbic dopaminergic system, that favours, by means of pleasurable sensations, adaptive behaviours. This is inaccessible to the conscious or voluntary mind. Because of this, the need to consume is produced in apparent absence of conscious, rational behaviours. Cell-phone abuse interfering with healthy activities and habits, specifically affecting sleep time and quality.

Circadian cycle of rest and work
Algorhythmic behaviour is a term coined by researcher to relate phone based and influenced change in this circadian cycle to conditioned message to response machine or input to output behaviour of people.

Some questions to be raised for all of us to reflect
- Is this change socially justifiable? Yes and No both. We have to further explore with action research.
- Is it inevitable? Yes
- Is it correctable? Yes
- Is India going to evaluate, benchmark and control this? We have to explore more better options out of technological and political frames of reference.
- At what cost of wellness, we want to grow fast?
- We all have to introspect and decide “Is speed the parameter of growth and wellness”?

Conclusions
ALL IS NOT WELL
1. India is facing data explosion effect of which is disastrous with reference to community health.
2. Either empirical or judgmental approach will not help and even Regulation will not solve this issue.
3. Urban rural tele density divide is huge challenge for India.
4. Wellness and wellbeing is discarded in the process of disruption, distraction, distortion.
5. Circadian habits to algorhythmic habits change in social behavior is big challenge.
6. Future requires multidimensional approach in handling the challenges.
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Livelihood Creation for Handloom Weavers through ‘Unique Recognition in Global Market’ – A case Study of Banaras Brocades and Sarees

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Abstract

Handicraft and handloom do not only represent an industry in India but also represent heart and soul of India. It reflects the cultural richness and diversity of India and also supports many families in earning their bread and butter. But Handloom is not giving that push to the economy which ideally it should. As per data, around 13.93 million Indians were engaged in handicraft and handloom production in 2017 and it is estimated to increase to 17.79 million in 2022. Ministry of Commerce has indicated the production of the Indian Handicraft and Handloom sector as being INR 302.57 billion with INR 168.58 billion generated through export. Based on past trends a growth of 16% is expected in 2017-22. But measures must be taken to increase this growth and thereby increasing the income of the artisans.

The handloom industry in India has a significant contribution towards employment generation as well as plays an important role in preserving the cultural identity (Liebl and Roy 2004). Despite measures by Government to protect the indigenous treasures, the economic potential of most of the products has been underutilized. However, with the “Make in India” campaign and Planning Commission giving it due place and priority we hope that handloom sector regains its unique identity. GI (Geographical Indication) Tag is one of the ways to protect the identity of our handloom product and to protect our heritage. This research will discuss about ways and skills in which the traditional Banarasi weavers can keep align with changing customer perceptions and thus enhance their employment skills and also to bring about tangible rural transformation, by enhancing employment skills and measures for preventing migration to other cities and also preventing them to switch to other jobs as unskilled laborers.

Keywords: Handloom sector, Brand Recognition, GI Tagging, Rural Development, Geographical Indication.

Introduction

The initiation of geographical indications (GIs) in the past decade as intellectual property rights (IPRs) to protect traditional handloom and handicraft goods has benefits for both consumers and producers of such goods. Consumers of GI goods benefit from the quality guarantee provided by the GI protection. The goods that have qualified for GI protection carry a GI logo when they are marketed and these symbols act as a quality and originality assurance to consumers. Saving on these transaction costs creates an incentive for consumers to pay a price premium for the GI good (Stigler 1961), which in turn creates a benefit and hence incentive for the producers of the GI products. Apart from the price premium benefit for producers, producers also benefit from the supply limitation that is ensured by GI protection. GI protection effectively controls the supply, which in turn increases its price. Also, GI protection preserves the traditional heritage of the locality.

The paper makes use of empirical case study to provide some insights regarding the prosperity and benefit impacts of GI protection for artisans who make Banarasi Sarees.

GI Tag

The term GI (Geographical Indication) refers to the indicate that identifies a good as originating a particular place, is of particular quality, reputation and characteristics which other similar product may not have. In India, GI registrations have been given in diverse areas like agriculture, textile, handicrafts and even manufactured items. GI in the area of textile and handcrafted items are of great
importance as it provides shielding to the artisans by preserving the genuineness of craftsmanship and also improves the livelihood of artisans Geographical Indication (GI) is covered under Articles 1 (2) and 10 of Paris Convention for the Protection of Industrial Property and under Articles 22 to 24 of the Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement. India is a member of the World Trade Organization (WTO) and it enacted the Geographical Indications of Goods (Registration & Protection) Act, 1999 which came into force with effect from 15 September 2003.1 ‘Banaras Brocades and Saris’, a handloom product that received GI tag in year 2009.

**Background and empirical study**

The following section provides some background information and briefly characterizes the growth in survey areas in the case studies. The theoretical supporting of the analysis and the empirical methods are also discussed.

**Geographical area**

The Banaras (Varanasi) city is the main center of weaving. The brocade weaving of the Banaras is cluster based and scattered all over the Banaras district and some adjacent districts. The weavers of the product belong to the city only. The main centers of the brocade weavings are at Varanasi, Mirzapur, Bhadohi (Sant Ravidas Nagar), Chandoli, Chunar and Chakia. But among all, Varanasi city is the most important centre of brocade weaving and more than 85 percent weavers belong to the Varanasi city and its neighboring area only. Out of the different areas of the Varanasi, Madanpura and Ahaipur are two most significant areas of the brocade weaving. It is believed that the brocade weaving in the city initially started in these two areas and subsequently embraced by the other families.

**Product profile**

Banarasi saree and intricate silk brocades of Banaras has made it world famous. Among the different varieties of sarees produced, some exclusive varieties of the sarees are Jangla, Tanchoi, Vaskat, Cutwork, Tissue and Butidar which are made of silk warp and silk weft, on plain or satin ground base, brocaded with extra weft patterns in diverse layouts introducing Buties, Bells, Creepers, Buttas in ground, border and anchal for getting splendid appearance. With the change in time and consumer liking, the weavers of the cluster are also undertaking deviations in the design and pattern of the product along with product diversification. In order to cater to the need of the overseas and domestic buyers, the weavers of the cluster are also producing home furnishing, silk dhotis, stole, scarf, muffer, mats, dress material, wall hanging, made ups like curtain, cushion cover, table cover, napkins, runners.

**Weaving industry of banaras**

The handloom industry in India has a significant contribution towards employment generation as well as plays an important role in preserving the cultural identity (Liebl and Roy 2004). It is the second largest employment provider catering to primarily rural population after agriculture. The textile industry of Banaras employs more than 2 lakh workers in weaving and other allied activities, with an approximate annual turnover of INR 30000 million, with its specialty being Banarasi Sarees (Varman and Chakrabarti, 2011). As per handloom census of 2017, Varanasi had close to one lakh weavers.
Table 1. — Handloom Census, 2017

<table>
<thead>
<tr>
<th>Parameters</th>
<th>All India</th>
<th>UP</th>
<th>Varanasi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of handlooms</td>
<td>2377331</td>
<td>80,295</td>
<td>31,378</td>
</tr>
<tr>
<td>Number of handloom weavers</td>
<td>4331876</td>
<td>2,57,783</td>
<td>95,439</td>
</tr>
</tbody>
</table>

‘Banaras brocades and sarees’ through geographical indication tag

In order to recognize the authenticity of Banarsi Saree and restore its market, an aggressive campaign for obtaining ‘Geographical Indication Tag’ was started in 2006. The key role in the entire process was played by a local NGO, Human Welfare Association (HWA), with facilitation from United Nations Conference on Trade and Development (UNCTAD). UNCTAD is known for facilitating producer groups to protect their unique products by obtaining GI registration and owing to its efforts, about 300 Geographical Indication were awarded to various products in India in a span of 10 years. Representatives of HWA attended meetings of UNCTAD in early 2006, post which the process of obtaining GI for Banarsi Saree was initiated. A sensitization workshop was conducted by HWA to emphasize on the importance of GI tag, which was mainly attended by Government Officials, traders and exporters. The center point of the campaign was to highlight how GI tag, as mark of authenticity, will help in getting better recognition and acceptance in both global and national market, along with building strong brand image for the handcrafted product, thus resulting in better price for the product. The process culminated with Banarasi Sarees getting GI tag on 4 September 2009, under the registered name of “Banaras Brocades and Sarees”. For the GI registration, nine organizations -- Banaras Bunkar Samiti, Human Welfare Association Joint Director, Industries (Eastern Zone), Director, Handlooms and Textiles, Uttar Pradesh, Handloom Fabrics Marketing Cooperative Federation, Eastern UP Exporters Association (EUPEA), Banarasi Vastra Udyog Sangh, Banaras Hath Kargha Vikas Samiti and Adarsh Silk Bunkar Sahkari Samiti -- had applied to the Chennai-based Geographical Indication Registry in July 2007. And, after a long wait of over two years, the world famous Banarasi Sarees and Brocade got GI status on 4 September 2009.

Livelihood creation from GI tag

The Handloom Sector is one of the biggest unorganized economic activities after agriculture and constitutes an integral part of the rural and semi-rural livelihood. The sector has an advantage of being less capital intensive, minimal use of power, eco-friendly, and flexibility of small production, openness to innovations and adaptability to market requirements. Handloom weaving is largely decentralized and the weavers are mainly from the vulnerable and weaker sections of the society, who weave for their household needs and also contribute to the production in the textile sector. As per 3rd Handlooms Census, carried out in 2009-10, more than 43 lakh people are engaged in weaving and allied activities which were 65.5 lakh as per 2nd handloom census conducted during 1995-96. As per a consumer study conducted by the EU Commission, it was estimated that approximately 40% of the consumers were ready to pay a premium amount of up to 10%, if the product was available with the guarantee of origin. There is a need to capture this feature in the favor of producers so that livelihood of the local artisans can be improved.

Out of the 38.47 lakh adult weavers and allied workers in the country, 77% are women and 23% male weavers, 10% of the weavers are from scheduled castes (SCs), 18% of the weavers are from scheduled tribes (STs), 45% are from other backward classes (OBCs) and 27% are from other castes.

The textile industry of Banaras employs more than 2 lakh workers in weaving and other allied activities, with an approximate annual turnover of INR 30000 million, with its specialty being Banarasi Sarees (Varman and Chakrabarti, 2011). In absence of GI tag, it was difficult to differentiate the original Banarasi Sarees from similar looking imitation products available in the market. While the
original producer suffered from loss of market for their authentic products, consumers ended up paying inflated prices for pirated products. Lack of authenticity, stiff competition from ‘Kela Silk’ and ‘Chinese Silk’, along with sarees produced on power loom was eroding the market share for the original handcrafted Banarsi Sarees that deserved the actual share. Information asymmetry thus produced lead to sharp decline in original Banarsi Sarees. Recognition of Banarsi Saree by awarding GI tag was thus imperative to protection of traditional craft and its revival.

We can also see the benefit of GI tag with increase in sales and production of Banarasi sarees. Also, Government has also come up with many schemes and advancements which has helped the handloom industry. Our major focus should be on export and the same can be seen with the increasing export performance in past few years.

### Table 2. Year-wise production of handloom cloth & export of handloom products

<table>
<thead>
<tr>
<th>Year</th>
<th>Handloom cloth production (million sq. Meters)</th>
<th>Handloom exports (Rs. In crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>6947</td>
<td>NA</td>
</tr>
<tr>
<td>2008-09</td>
<td>6677</td>
<td>NA</td>
</tr>
<tr>
<td>2009-10</td>
<td>6806</td>
<td>1252</td>
</tr>
<tr>
<td>2010-11</td>
<td>6907</td>
<td>1575</td>
</tr>
<tr>
<td>2011-12</td>
<td>6901</td>
<td>2624</td>
</tr>
<tr>
<td>2012-13</td>
<td>6952</td>
<td>2812</td>
</tr>
<tr>
<td>2013-14</td>
<td>7104</td>
<td>2233</td>
</tr>
<tr>
<td>2014-15</td>
<td>7203</td>
<td>2246</td>
</tr>
</tbody>
</table>

(Source: Textiles Commissioner Office and HEPC)

Also, we have notes that there has been more focus on the clusters of Varanasi, other than funds allocation, awareness programs for GI awareness and many other schemes were launched.

### Table 3. Clusters and funds released by government to varanasi clusters

<table>
<thead>
<tr>
<th>Number of Clusters/Groups</th>
<th>Group size of clusters</th>
<th>GOI’s Share</th>
<th>Fund released</th>
<th>Name of scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Varanasi Mega Cluster)</td>
<td>25000 handlooms</td>
<td>Rs.70.00 Cr.</td>
<td>Rs.44.05 Cr.</td>
<td>Comprehensive Handloom Cluster Development Scheme</td>
</tr>
<tr>
<td>4 (Varanasi, Mubarakpur, Bijnore and Barabanki)</td>
<td>5000 handlooms each</td>
<td>Rs.2.00 Cr. For each cluster</td>
<td>Rs.6.86 Cr.</td>
<td>Integrated Handloom Cluster Development Scheme/ National Handloom Development Programme</td>
</tr>
</tbody>
</table>

### Table 4. Year wise fund released under IHDS/NHDP for marketing initiatives after GI Tag

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount released (Rs. In lakh)</th>
<th>Weavers Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11</td>
<td>30.73</td>
<td>80416</td>
</tr>
<tr>
<td>2011-12</td>
<td>705.81</td>
<td>148870</td>
</tr>
<tr>
<td>2012-13</td>
<td>1328.00</td>
<td>131210</td>
</tr>
<tr>
<td>2013-14</td>
<td>1567.00</td>
<td>135676</td>
</tr>
<tr>
<td>2014-15</td>
<td>1801.33</td>
<td>142119</td>
</tr>
<tr>
<td>2015-16</td>
<td>2134.33</td>
<td>153319</td>
</tr>
</tbody>
</table>
Actual picture

Even though the product enjoys high reputation in domestic and international markets, but falling demand of handloom products, inappropriate compensation, lack of appropriate measures to leverage the commercial potential by weavers has led to miserable condition of weavers, who are facing Poverty. A rough estimate of dealers in Varanasi have reported that the turnover of hand-woven Banarasi Silk has reduced from INR 30 billion to INR 5-7 billion in last 7-8 years. Also, out of the total turnover of handloom which is approximately INR 80-100 billion, the share of Banarasi Silk accounts for 15 percent only. To add to this, producers of handloom made Banarasi Sarees have not been quick enough in adopting contemporary designs to keep pace with changing taste and preferences of consumers. Over a period of time, minimalist innovation in product form, designs, colour and texture of the product, packaging and selling has been witnessed. Moreover, handlooms have been incurring huge losses due to faster and cheaper production of look-alike imitation sarees on powerloom. For a silk which a weaver takes 3-6 months to make are made in few days on machine. Though GI regulation clearly specifies that any product which is not made on handloom does not come under the category of Banarasi Brocade, yet the biggest challenge emerges from imitation products produced on machines.

Way forward

A new block level cluster approach for supporting the handloom weavers has been initiated in 9 blocks of Varanasi in these blocks, 9 Common Facility Centres (CFCs) have been set up having yarn depot, office with internet, pre-loom facilities like winding/warping/dyeing and workshed training for the weavers etc. It is supported by a full time technically qualified staff. Design support is provided by the Weavers’ Service Centre, Varanasi and also, through a reputed private designer. Response of these CFCs has been encouraging. To adopt the same in all handloom pockets of the country, the guidelines of the Scheme, “National Handloom Development Programme (NHDP)” and “Comprehensive Handloom Cluster Development Scheme (CHCDS)” – Mega Handloom Cluster (in the pattern of NHDP) have been recently amended and State Govts. have been requested to develop such CFCs in all important handloom blocks for which GoI funding of upto Rs. 2.00 cr. per block is available.

Government of India is implementing Yarn Supply scheme throughout the country to make available all types of yarn at Mill Gate Price to the eligible handloom weavers so as to facilitate regular supply of basic raw materials to the handloom sector and help utilize the full employment potential of the sector. The scheme is being implemented through National Handloom Development Corporation, Lucknow, a Government of India Undertaking. Under the scheme the freight is reimbursed and depot operating charges @2% is given to depot operating agencies.

Further, to provide the subsidized yarn only to handloom weavers in order to compete with powerloom and mill sector, a component of 10% price subsidy on hank yarn also exist under which10% subsidy is applicable on Cotton, Domestic silk and woollen yarn with quantity limitation. NHDC has opened 10 yarn depots-cum-warehouses in 12th Plan so as to ensure timely supplies to users on cash basis, besides taking care of individual weavers who need yarn in small quantity. A mega handloom cluster was set up in Varanasi in 2008-09. For implementation of these Mega handloom clusters, Cluster Management and Technical Agencies (CMTAs) have already been appointed.

Table 5. Cluster-wise, Year-wise funds released
(Amount in Lakhs)

<table>
<thead>
<tr>
<th>Name of the Cluster 2011-12 2012-13 2013-14 2014-15 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Varanasi (Utar Pradesh) 360.71 34.37 980.87 776.54 2152.49</td>
</tr>
</tbody>
</table>

The Hon’ble Finance Minister in the Budget speech 2014-15 announced setting up of Trade Facilitation Centre and Crafts Museum to develop and promote handloom products and carry forward the rich traditions of handlooms of Varanasi. Land measuring 7.93 acres was allotted/handed over to Office Development Commissioner for Handlooms, Ministry of Textiles by CPWD at Bada Lalpur, Varanasi for setting up of Trade Facilitation and Crafts Museum (TFC&CM) on 3.11.2014.
The foundation stone for setting up of TFC & CM was laid by the Hon’ble Prime Minister on 7th Nov.2014. The total cost of the project would be Rs.281.00 crore.

Initially the pilot project for extending loans under PNB WEAVER MUDRA SCHEME started in Varanasi (U.P.) and Bhubaneswar (Odisha). Detail of Varanasi is given in the table below.

<table>
<thead>
<tr>
<th>Application received by WSC</th>
<th>For loan amount up to Rs. 50,000</th>
<th>For loan amount up to Rs. 5 Lakh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applications submitted to PNB</td>
<td>1624</td>
<td>19</td>
</tr>
<tr>
<td>Number of accounts opened</td>
<td>227</td>
<td>7</td>
</tr>
<tr>
<td>Total amount sanctioned (in Rs.)</td>
<td>113.50 Lakh</td>
<td>23 lakhs</td>
</tr>
<tr>
<td>Total amount withdrawn (in Rs.)</td>
<td>30.27 Lakh</td>
<td>Nil</td>
</tr>
</tbody>
</table>

### Conclusion

The findings show support for the positive impact of GI protection on the livelihoods of farm households in rural communities. GI adoption has contributed to improved well-being and reduced rural poverty. Production of Banarasi Sarees and Brocade material involves labour-intensive and traditional techniques of production, which increases their production costs and providing a unique GI tag can be the solution to charge that extra premium for the product. Although the study cannot show the direct impact of GI adoption on the consumer price, that is the magnitude of the price premium that might have accrued to the producers from GI adoption, the findings imply that GI tag is definitely a solution to provide higher livelihood to the poor artisans. Also, the initiatives taken by government and special focus of Prime Minister in the area will definitely end up increasing the income of the artisans.

### References


Kaizen Practice in Ethiopia: Challenges and Opportunities

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Abstract

This article describes the Kaizen practices that have been observed in Ethiopia. Best experiences, learnings and challenges and opportunities will be discussed. It demonstrates the Kaizen approach in Ethiopia context has proven success in companies in terms of improving productivity and efficiency of the business operations. As it is now, there is also a huge opportunity of learning from the implementation of Kaizen in terms of identifying the exiting opportunities to scale up the best practices and improve in some areas where challenges have been encountered. The findings come from literature readings and secondary data analysis on the research conducted and the reports on the Kaizen implementation processes of the piloted companies. The employees and the management understood and applied Kaizen concepts and tools, and significantly improved key processes, for example, The findings of one of the research made on Kaizen in Ethiopia indicated that in one of the piloted projects of a company called Kadisco Chemical Industry in Addis Ababa, Ethiopia, the implementation of the Kaizen culture was found to increase labor productivity by reducing, on average of 50%, time wastage for searching tools; improved a defect ratio which ranged from 50% to 70%; and improved lead time in the range of 16% to 90%.

Keywords: Kaizen; Ethiopia; Productivity; lead time; Kaizen Culture; Improvement.

Introduction

Corporations in the developed world have proven that successful Kaizen approaches can deliver increased productivity, maximization of profit, customer satisfaction, and market share. But does Kaizen apply to the developing economy context of Africa. This article shares the case of Kaizen experience of Ethiopia. We begin with a brief introduction to Lean Kaizen Principles.

The principles and approaches of Kaizen have raised interests among researches as it enhances the productivity of companies, produce quality products and services with minimum efforts and resources deployed. Several authors have written on the concept of kaizen for instance Abhijit Chakraborty, et al. (2013), Deniels (1996), Alsmadi, S. (2009), Aoki, K. (2008), Chase, N. (1998), Chesar, R.N. (1998) and Imai M. (1986). In all these and other sources, the concept Kaizen approach is discussed in the perspective of identifying what is of value from the customers perspective and producing quality products and services.

According to Womack and Jones (1996) cited by Andrew Parris (2013), the Lean Kaizen approach contributed to the rise and success of Toyota production system.

Implementation of Kaizen may not result in transformational production system without the lean thinking and principles internalized by the implementers from top to down. Spear and Bowen (1996) mentioned that the success of work in Toyota is due to the principles of lean being understood and implemented well by the management and staff. The fundamental principles identified by the Spear (2004) are:

- One must observe the actual work being done
- Experiment (test) proposed changes
- Experiment as frequently as possible
- Managers should coach, not fix.

Kaizen as discussed by Winy Utari (2011) is vital in making continuous improvement in producing quality product and provision of quality services and it is critical in a stiff competitive business environment and in a context where productivity is very low as in the case of developing countries. There is strong
evidence and background how kaizen helped Japan companies to overcome the productivity and quality challenges when the Japanese companies encountered were challenged by the competition from American and European manufacturers after mid-1940s (Chen, et al., 2000).

In various literatures Kaizen is defined as Japanese ‘Continuous improvement’. Alberto in his working paper titled the role of Kaizen in economic transformation he defined kaizen as “Kaizen is a Japanese term to mean ‘improvement’ and refers to a process of innovation in firms involving the entire work force. It involves customer orientation, quality control, new product development, just in time and automation, cooperative employer – employee relationships and so on.” Alberto E. Lemma (20018).

With the success of Kaizen implementation and as it has become culture of wok in Japan. It has become a strategic approach in Japanese government as a package in the assistance it offers to many developing countries like Ethiopia and many other African countries through private and public channels of development assistance. Izumi and other scholars’ emphasis that there are huge untapped potentials of implementing Kaizen in Africa to improve the productivity and inefficiencies challenges African countries suffer from (Izumi Ohno, et al., 2009).

In line with the what we discuss above in terms of the opportunity of getting support from Japanese government through development assistance programs, the introduction of Kaizen in Ethiopia has been started with full assistance of Japanese International Cooperation Agency( JICA) following the request from Ethiopian government for the transfer of Kaizen technology transfer through National Graduate Institute for Policy Studies (GRIPS) by the time when Ethiopia developed the national Growth and Transformation Plan with the desire of improving the managerial capability and capacity to implement the national strategy (GRIPS, 2011).

The introduction of Kaizen outside Japan through the support from JICA and records of Japan’s success in Kaizen implementation has encouraged other developing countries and in countries where Kaizen has been implemented, one of these case is Ethiopia, significant changes have been registered in terms of producing quality products and improving productivity and has become as the key success factors not only for the success of companies but the countries as well in competing in global markets.

The kaizen implementation in some of the Industries in Ethiopia real changes were made and proven significant saving in resources and improve efficiency (Bethlehem, Herald Changing the way Ethiopian Industries work, June 2018). Ethiopia having a lot of challenges in its endeavor in increased export income and in the national strategy of sector shift from agriculture-based economy to industry led economy with the strategy goal of import substitution the productivity and quality improvement are key for the achievement of the goal. Notwithstanding the challenges, there have been records of encouraging results from manufacturing companies which implemented the Kaizen initiative in Ethiopia. Looking forward, therefore, would be scaling up the achievements registered in a few companies focusing on the learnings and areas of improvements in the implementation of Kaizen. This article will come up with a recommendation based on the analysis of the practice of Kaizen in the country considering samples of companies which have been implementing the Kaizen culture of doing business.

**Work culture challenges in ethiopia**

The Japanese work culture and the thinking is more amiable to high productivity and innovation is a reason for success in Kaizen implementation. According to George the socio-cultural traits of the Japanese influences the work culture in offices and has been good ground for success in Kaizen culture (Georg O. Tasie, 2009).

Culture affects the management styles, decision making processes, the employee responsiveness and perceptions of problems. According to George Japanese have developed their own skills of management, which stem directly from culture and social values and beliefs. The Japanese culture has been influenced by Taoist, Confucian, Asian and Western ideas. Unlike Ethiopians the Japanese are homogenous race, both linguistically and culturally and most importantly in relation to the change management Japanese are highly flexible to embrace change which is key for Kaizen implementation. Ethiopians and Japanese have also
similarities in terms of having high power distance, high uncertainty avoidance and being high collectivist unlike the western Culture.

The question, therefore, is that the work culture in Ethiopia is it amicable to the Kaizen culture how can the Kaizen principles and tools be contextualized without costing the standard of the Kaizen approach. So, the challenge is how should a company in Ethiopia implement the Kaizen principles with contextualization of the approach to the values and norms and at the same time transforming the culture to favorable work environment to Kaizen philosophy.

As Andrew Parris (2013) indicated in his research “Improving Process for Good in East Africa” Work Culture in Africa in general and Ethiopia in particular, timeliness is not a priority. Andrew clearly said in his article that meetings and social events start late. And lateness is acceptable and even expected. Andrew also cited Mandela saying “South African have no concept of time and this is also why we cannot solve poverty and social problems (Mandela, 2003).

In his research Andrew identified more cultural challenges that the researcher, being an Ethiopian, believes the identified issues are truer to Ethiopian Context than other African countries. The cultural issues identified are
- High level of corruption which required extra reviews and approvals burden processes.
- People don’t follow written instructions
- Poor quality is the norm
- It’s not a problem until it’s a problem
- Life is unpredictable
- Workers are not expected to innovate

The findings of the research by Andrew informs that the Kaizen implementation in Ethiopia will have challenges related to culture change. To make decisions faster and to remove the none value adding processes steps, it clearly requires culture change; the way how people do their work and the mindset shift from ‘it is okay to ‘we need to change ‘thinking. Other researches like Eden M. (2017) and Tigist, H. (2015) in their thesis for their Master’s degree also confirmed the same culture related issues are bottlenecks of the Kaizen implementation in companies which piloted the implementation. Many researches affirm that culture change is critical factor in successful implementation of Kaizen when transferred to other cultures. Anh et al (2011) emphasized the fact that the success of Kaizen culture transfer is highly dependent on the culture context of a given country where Kaizen is implemented.

**Kaizen implementation practice in ethiopia and results achieved**

Kaizen as a management tool was introduced in Ethiopia in 2009 with JICA in response to the request from the government of Ethiopia to Japan government as part of the development cooperation the two countries have had for many years. The government of Ethiopia was keen to implement the Kaizen philosophy to enhance the national development strategy to foster economic growth through improving productivity and efficiency.

The Government of Japan through JICA agreed to offer assistance in transferring the Kaizen technology and the Kaizen project was designed with the close support from JICA. As indicated in GRIPS report (2011) cited by Admasu (2015), after the project design phase was completed, the former Ministry of Trade and Industry established kaizen unit with professionals drawn from the ministry and relevant sectorial institutes, and JICA deployed a consultant team to work with the Unit. The kaizen project was officially launched with the first National Kaizen Seminar in the presence of high-level officials from both sides. With the project pilot companies, kaizen is selected as one of management tools to improve and enhance managerial capability to implement Growth and Transformation Plan (GRIPS, 2011).

According to Shimada, the director of Research Program Division of JICA Research Institute, the project was designed jointly by JICA and Ministry of Industry (Ethiopia) with a project life from October 2009 to 2011. The sector focused for the piloting phase was manufacturing sector of 28 companies selected. The project was designed with three objectives:
Polite project performance to scale it up to national level
Human Resources Development aiming to transfer Kaizen skills to staff of ministry of industry (Ethiopia)
National Plan Formulation- to disseminate the Kaizen activates across the manufacturing companies in Ethiopia.

As can be seen in the diagram below Ethiopian is one of African countries which are implementing Kaizen in Africa since 2009.

Source: JICA research program division

As reports from JICA Research Institute presented by the director to audience gathered for a workshop on Kaizen summarizes the results achieved from the piloted projects.

Qualitative results achieved:
- Clean working environment created,
- Team work and motivation of workers developed,
- Health and occupational safety of workers improved,
- Lower level workers accustomed to suggesting improvement
- Ideas to management decisions – Increased Employee Participation,
- Knowledge obtained on how to meet quick delivery and to reduce costs.

Quantitative results
- Monetary impact from the improvements reported is ETB 500,000/company.
- The reporting ranges from ETB 10,000 to ETB 3.2 mill.
- By Reducing costs (a) ETB 10,000 per month and (b) ETB 78, 000 per annum;
- By generating additional income of ETB 1.2 million per year;
- By just decreasing down time ETB 204, 000 per day,
- By rectifying raw materials defect used for manufacturing ETB 2.4mill;
- By identifying, repairing and reusing of usable machines & equipment
- Worth of ETB 3.25 mill.

Non-monetary measures of improvement include
- Increasing labor productivity, by reducing time loss for searching tools on average 50%;
- Reduction of floor space around 50%;
- Defect ratio improvement in the range of 50-70%;
• Lead time improved in the range of 16 to 90%;
• Labor saved from 15 to 90%.
Note: Note: USD1 = approximately ETB 17.1 as of Aug. 2011

After the project completion it was found that out of 28 companies piloted 10 (more than one-third) were graded with excellent achievements which can be considered as success to have Kaizen Model companies. This result encouraged the government of Ethiopia and JICA to scale up the Kaizen implementation in other companies as well. After the piloting phase, several companies implemented the kaizen philosophy across the country mainly in manufacturing factories.

Analysis of researches/studies made on companies which implemented kaizen culture

This analysis was made on researches available on the practice of Kaizen implementing companies in Ethiopia. Three studies were consulted for the analysis.

The study made by Tigist Hailegiorgis for fulfillment of her Master’s Degree “Assessing of the Effectiveness of Kaizen Implementation in Wonji sugar Factory”.

This study was made in one of the oldest sugar factories in Ethiopia. The finding was stated as

“The Kaizen implementation was recorded as success in terms of minimization of waste and, as a result production cost reduction, increasing efficiency, creation of good relationship between employees and management, increasing employees’ attitude towards teamwork, facilitation of the factory’s conducive working environment and improving work commitment. “(Tigist, 2015)

Woni Sugar factory being one of the oldest factories in terms of time of establishment, it is encouraging that Kaizen tools applied in the processes of the factory resulted in increased efficiency. From the result of the study one can see that Kaizen philosophy is getting into the thinking of the employees and the management. The Kaizen tools changes the work culture but not easy as indicated by Tigist in her study.
indicated that sustaining the changes achieved is critical. Sustainability can be ensured only when the mindsets and the culture change embrace continuous improvement. Kaizen philosophy is all about continuous improvement and implementers should not be contented with the results achieved in a given period of time. It should be continuous and better in the future. Tigist suggests that to sustain the change the factory should apply different motivation scheme to employees so as to enhance engagement of employees for more change and better. Tigist’s recommendation is in agreement with the opinion of another researcher Asayehgn Desta.

“Implementation of kaizen in manufacturing companies needs to be fully committed to boosting the morale of their workers to develop members’ capabilities, to achieve self-actualization, and to work cooperatively, these commitments are vital to the process for improving the quality of the training output.” Asayehgn Desta (2011)

The study made by Eden Mekonnen for her Master’s Thesis with the topic “Assessment of Kaizen Implementation Practices and Challenges in the case of Tikur Abbay Shoe Share Company “(Eden M., 2017) shows the results of the Kaizen implementation in this shoe manufacturing company has not shown much successes. The challenge indicated by Eden is that the management and employees seem to lack clarity on the engagement level of employees in the change process (Eden m., 2017). This study raises some concern as the study was very recent and the results contradict the good achievements during the piloting phase seven years back. It is important that further research is made on the status of Kaizen implementation in Ethiopia in terms of how sustained the results have been in several other companies after significant period of time for the Kaizen philosophy expected to be rolled out across the country and integrated well in the traditions and culture of Ethiopian companies. Some findings like these ones, after seven years, create curiosity to scholars and invite research on the practice of the Kaizen tools.

Eden has also mentioned in her study that conceptual misunderstanding between middle level managers and front-line employees on Kaizen was observed. The employees are not buying in the new culture of Kaizen either due to lack of proper communication or training.

Eden explains her observation obtained through interview of employees and the Kaizen officer as:

“there are still conceptual gaps on the knowledge of continuous improvement and have the impression of the traditional hierarchical work trends and these trends are still challenges for change. The situation could also have implications on quality of products and services and it has also depressing effect on the generating and sustaining improvements.”

When there exists a gap in understanding of the Kaizen philosophy and the tools the impact expected of Kaizen on quality production of products and services will be adversely affected and may even cause negative impact on the sustainability of the Kaizen continuous improvement approach. This study, therefore, indicates that Kaizen implementation has not been success in a few of the companies which have undergone implementation.

The success depends on planning for rolling out of the tools and the commitment of leadership to engage all employees from top to bottom. In countries where organizational culture is more hierarchal and more of rigidity in managerial practice, kaizen implementation needs more effort culture change before launching of any project. As Kaizen is a continuous process improvement philosophy, the transferability of the kaizen culture is dependent on the level of engagement of employees and the decision-making process. The managerial decisions should be employee driven and the synergy between the kaizen culture and the organizational culture is key for the success of effective and sustainable transfer of Kaizen technology.

A study conducted by Nesra Seid (2012) in one of a chemical industry called Kadisco indicated that the productivity of a company was significantly improved as a result of improvements made on time wastage which is registered to be reduced by average of 50% and defected ratio improvement on average from 50% to 70% and lead time on average from 16% to 90% which proves that the kaizen culture has brought changes which can be scaled up in other manufacturing. Asayhegen desta et.al (2014) also conducted a study on three companies (Mesfin Industrial Engineering PLC, Almeda Textile Factory PLC., and Sheba Leather and Tanning Industry PLC), among selected for piloted project during phase I of the Kaizen implementation
he indicated in his finding that the transferability of the culture was challenged by the existing organizational culture that the results were not successful. From this study and others, we can see that Kaizen Culture success depends largely on the change in the culture. As some studies indicate a certain level of improvements in productivity and efficiency can be achieved but the sustainability depends critically alignment of the organizational culture to the Kaizen culture. When there is lack of synergy between the Kaizen culture and the existing culture of an organization, sustainability can be guaranteed. Most organizations which failed in Kaizen implementation simply due to the lack of cultural transformation.

In Ethiopia it has been about 10 years since Kaizen was introduced. It is, therefore, attractive for scholars to do research to know if Kaizen has been successful or to identify challenge and opportunities in Kaizen implementation in Ethiopia.

**Unique challenges to kaizen implementation in ethiopia**

Due to continuing economic, environmental, cultural, and political difficulties, life in Ethiopia continues to be difficult and somewhat unpredictable. Despite all the political and global economic challenges Ethiopia has registered a double-digit economy growth for the last ten years. Recently a political reform has been taking place which introduced economic reforms through opening up the market and more privatization.

Despite the government effort to change the economic structure one of the challenges for Ethiopia has been competitiveness in the global market. According to Getinet and Admit Ethiopian experience in industrialization and competitiveness was found to be poor (Getinet and Admit, 2005). Competitiveness is key in sustaining the development efforts in the globalized world. Competitiveness is a must to face it and can only overcome challenges and grasp the opportunities provided by globalization when only when an economy is competitive in the world market. This is more appealing to the countries like Ethiopia which aspire to have export led economy.

For a growing economy like Ethiopia low productivity has always been an impasse to be competitive in the global market. The extent of productivity improvement counts more to competitiveness than other production factors. Most of growing manufacturing factories both private and public in Ethiopia suffer from the inefficiency of production mainly due to poor processes. To improve efficiency and productivity, therefore, Kaizen tools would be appropriate to the Ethiopian manufacturing and services sectors. Several cases studies conducted in the companies which implemented Kaizen show that productivity and efficiency is significantly being improved.

The critical challenge for manufacturing sectors in Ethiopia and like most other developing economies is the lack of managerial methodologies like Kaizen (Izumi Ohno, et al.,2009). It is true that lack of capital and technological capabilities are major problems in the manufacturing and service sectors, the most feasible and that can be easy and quick to be improved with a little investment and resources is changing the managerial capacity with Kaizen tools Kaizen (Admasu A., 2015). This is why Kaizen becomes an appropriate tool for developing economies.

Andrew Parris discussed in his study on the challenges of process improvement in East Africa that with low level of economy, the scarcity of capital and resources to cover budget required for investment in innovation and technological improvement becomes a challenge to a country and may lead to fragility, outdated, inefficient and ineffective infrastructure, equipment/tools and processes( Andrew P.,2013).

In a context where capital scarcity is high, when processes are not efficient and effective and when productivity is low, the need for Kaizen culture becomes more evidently appealing. The drive for continuous improvement with a kaizen methodology is due to the low investment the Kaizen tools requires. Kaizen does not take huge investment and expertise. It only takes available resources, commitment, engagement and mindset to change the way business is done, i.e. culture change.

The culture aspect also is major challenge in the implementation of Kaizen. The cultural factors have led to inflexible, bureaucratic process with too many hand- offs, reviews, and approvals have been challenges
to Kaizen implementation. When the processes are not well integrated as a result of the culture result in poor quality products and services and long lead time in process.

In addition to these unique challenges, we note some trends affecting developing countries. Some of the challenges below were discussed by Andrew Parris in his research on what international NGOs are facing in their work in his article on “Improving Processes for good in East Africa” (Andrew P., 2003). The researcher believes and is convinced that some of the issues discussed in this article are also true for business companies operating in Ethiopia. Some of the issues are found to be more relevant to Ethiopian context and borrowed from the findings of Andrew.

The contexts in which companies particularly the manufacturing companies work are getting increasingly dynamic and complex. To respond to this dynamics processes and decision-making approaches need to be improved to respond effectively to sustain the business both in local and global markets in increasingly competitive market environment.

International development partners are demanding greater impact, transparency, and accountability in the development endeavors with efficiency given a priority demand. Competition to expand market share demands responsiveness, high quality and customer values in all aspects of the business dimensions.

Global market is being affected by the policies that a few developed countries are making. For instance, the tariff/taxes and protection police introduced by US and China currently is big challenge for developing economies. On top of the challenges the poor countries already have, the new trend of global business competition is creating difficult situation. Developing nations have been striving to make long-term investments in micro and macro projects to get out of poverty and the opportunities to get loans and technology transfer through foreign direct investment is facing new era of challenge. More than ever, countries must find new, innovate ways to use available resources in most efficient and effective way. Kaizen can be the best-chosen tool to do business in innovative ways.

Technological and communications advances are significantly disrupting legacy approaches to many companies in terms of organizational effectiveness these advances require rapid and agile adaptation and innovation of companies and their employees.

Developing nations like Ethiopia are generally urbanizing faster and growing faster economically than developed nations. This requires companies s to change where and how they work, and how they provide value to the people they serve. This is why Kaizen is highly recommended to be practiced in Ethiopia.

These trends oblige companies to more quickly experiment, learn from experience, adopt new ways of doing things, and adapt themselves to their changing contexts (Andrew P., pp 2013). This justifies why Kaizen needs to be promoted in Ethiopia. Ethiopian Companies, we believe, have to quickly learn and adapt changes happening in the business environment. Researches indicate that those companies in Ethiopia which implemented Kaizen have significantly managed the changing business environment.

**Why lean kaizen is vital for ethiopia**

The business environment globally is becoming more competitive and challenging in general and for developing economies in particular. Several studies on development of Ethiopia show that low productivity and poor quality both in production and service is the bottleneck for the economy. Birhanu Beshah (2013) in his presentation on “The need for Quality and Productivity Improvement “cited Daniel Kitaw and et al indicated that the competitiveness of the manufacturing industries is low and the quality management awareness is low.

According to the studies Birhanu mentioned in his presentation the quality problems are observed in several sectors in Ethiopia economy. In education, health, public services and construction industries quality has been recorded at low. The quality thinking is not reflected in the work culture and poor-quality product and services continues to constrain the economic development.

Ethiopian companies have been struggling to survive in the global market mainly due to quality factor in the competition world. When competition increases, developing economy is prone to failure. The need for continuous process improvement becomes essential for such economies. Increasing competition in global
economy necessities Kaizen philosophy, continuous improvement, to be implemented in developing economies like Ethiopia. Quality of products and services improvement is required by the competition in the industrial world (Winy Utari, 2011).

There is huge opportunity to effectively transfer Kaizen technology to Ethiopia due to long lived economic assistance from Japan government which makes implementation of Kaizen feasible as the assistance for kaizen through private channels such as intra-company technology transfer and support for local suppliers, as well as through public channels such as official development assistance and guidance provided by various public organizations has well established infrastructure in Ethiopia because of the political will from both governments to strengthen economic cooperation.

Conclusions and recommendations for kaizen approach in ethiopian context

Conclusion

The Kaizen project in Ethiopia started with three phases. The first phase was started in August, 2009, which was aimed to review the ‘As Is’ of about 63 companies in terms of the quality and productivity of their performance. Based on the preliminary assessment result, out of the 63 companies 30 companies were selected on the basis of their proximity to the capital city, their contribution to export revenue, portfolio of the company in terms of the level of capital and the employee size. In October 2009-2010, the first phase of the project was completed and from out of the selected 30 companies, only about 8 companies were finally chosen by Ethiopia’s Kaizen Institute as Kaizen model companies (Ethiopian Ministry of Trade, 2011). The purpose of choosing the models is for scaling up the Kaizen culture to all the companies through the coordination and support of the Kaizen institute of Ethiopia.

According to the finding in this study and several other studies conducted in companies which implemented Kaizen indicate that the success of kaizen culture transferability and implementation of the kaizen practices in Ethiopia depend on the degree of compatibility between the Japanese company’s kaizen culture and national culture. The culture change has been most challenging in all the organizations kaizen was implemented.

The main challenge observed during the implementation is:

- Adaptability to the change which is primarily the culture incompatibility of the host country and the Kaizen philosophy because of lack of synergy between the requirements of kaizen and the work ethics of local company workers.
- In some cases where Kaizen was implemented when the trainers or the implementation leads are insensitive to the context and organizational cultures of manufacturing companies it was observed that dysfunction of the kaizen management techniques occurs.
- Assumption of uniformity in work ethics and culture creates confusion among the employees and management. At times it becomes a demotivating and affects sustainability.

The implementation of the Kaizen method in Ethiopia seems to be enforced as ‘a must to do it’ by the government and lacks self-motivation and ownership of the employees which affects the full engagement of the company employees.

Given that kaizen has also resulted in significant changes in cost reduction, and work flow and delivery time improvement companies should focus on the sustainability of the changes through engagement of employees that fosters bottom-up decision-making and an employee-driven management style that promotes team work and quality sensitization among employees. The company must have a strategy to positively influence the organizational culture to create engagement, ownership and clarity of why Kaizen is important for the organization. It is important that employees should not perceive Kaizen implementation is a change management tool forced by government. Such perception may be created due to the misunderstanding or miscommunication of the roles of Kaizen institute, a government organization.

As Kaizen has been introduced in Ethiopia for quite long time, it is now time for researchers to assess the achievements and challenges of Kaizen implementation in Ethiopia. The role played by the Ethiopian Kaizen institute and its capability in supporting organizations to transfer the technology need further
research. The support given by the JICA from the time of the implementation to date needs also deep review to understand and identify the critical variables needed for the transferability of the Japanese kaizen management techniques to Ethiopian context.

**Recommendation**

Ethiopian’s experience clearly demonstrates that introducing Kaizen culture to Ethiopian manufacturing and service sectors to improve work culture bears real fruit and shows promise for bringing about the improvement in productivity, product and service quality. We recommend the following for Ethiopian companies as they implement Kaizen methods:

Educate, engage, and get buy-in and sustained attention from all employees and leadership. Improve processes and achieve results that employees can be happy and care about most. Avoid the perception that Kaizen technology is what the Kaizen Institute or government wants to be implemented. Employees should internalize why the Kaizen culture needs to be implemented. Educating employees and leadership on the productivity, quality and competitiveness challenges should be first thing to be done in organizations before planning for the Kaizen technology transfer programs.

Once Kaizen is agreed to be useful to transform the existing situation of a given company, it is critical important to prioritize timely project completion and measurement of actual impact.

As several studies the major challenge of Kaizen implementation in Ethiopian context is the sustainability factor. To sustain the and adapt culture of continuous improvement we need to begin implementation of Kaizen methods with utmost consideration of contextualize Kaizen culture to reflect organization’s values and priorities of the implementing companies.

Avoid government push approach and focus to create awareness among employees and leadership why Kaizen is vital for companies. Productivity, competition and factors to survive in a global dynamic environment should be understood and be reasons of motivation to adapt the Kaizen methods. Creating a culture of quality sensitivity is critical. An organizational culture where employees no longer accept poor quality and delays, but who continuously innovate to improve the way they do work and impact while reducing costs.

As companies expect their employees to be adaptable to changes, they must be also fully committed to boosting the morale of their workers and developing their ability to achieve self-actualization. Various motivation schemes should be strategically chosen and be part of the Kaizen implementation strategy of a company.

The introduction of kaizen as a management tool and success in the transfer of technology to improve and enhance productivity and managerial capability in Ethiopia needs to be strengthen in the context of the Ethiopian culture without compromising the basic methodology of Kaizen. The Kaizen methodology on one hand requires understanding the tools well and on the other hand it becomes necessary to ensure:

- The Compatibility between kaizen culture and the organizational culture of Ethiopia’s company practices;
- Change habits in the workplace to adhere to the kaizen work ethics;
- Continuous improvement not one-time result
- results achieved of Kaizen projects deliver measured impact
- Instil a vision for quality products and services with the mindset of winning the competition in the market Ensuring the and inspiring vision for customer satisfaction integrates the key elements of Kaizen with the values and priorities of an organization and the country at large.

For success of the transferability of the Kaizen technology we recommend that Kaizen institute of Ethiopia should clarify its mandate as institution to ensure the companies are aware of what they expect from the institution and what the company can support them in their endeavors. It is very helpful and strategically important for Kaizen Institute to prioritize to create awareness to employees and leaders on the global challenges of competition and how companies can survive in the competition. Dissemination of facts and realities on the level of where companies are in terms of productivity, quality and efficiency should
be educated. Most of the Kaizen Institute’s time should be allocated to awareness creation of the dynamics of business environment both internally and externally in collaboration with universities and other institutions. The Kaizen Culture to be integrated and adapted to the Ethiopian culture the Ethiopian Kaizen Institute should also focus on sensitization of the method and tools of Kaizen and should strengthen the collaboration with JICA for capacity building initiatives.

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An Analytical Study of the Strategies in Overcoming Behavioral Finance

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Abstract

A savings in countless corporations has turn out to be complex as individuals capitalized hefty amount of cash even as soon as there is a little variation of corporation being lucrative. Most of the stockholders have cogent hopes and taken full advantage of their efficacy. Nevertheless, social economist disagreements are built on their lively studies that, marketplace is not resourceful particularly in the short-run and individuals do not make cogent conclusions to exploit earnings. individuals are vulnerable to frequent behavioral irregularities which turn out to be counterproductive to the capital growth ideologies pranging to illogical behavior. Depositors have to advance optimistic apparition, prudence, persistence and initiative. Every single stockholder varies on or after others in all facets due to countless influences like demographic factors which comprises socio-economic, contextual, informative fulfilment level, age, race and gender. The utmost vital encounter confronted by the depositors is in the expanze of savings choices. An ideal savings choice dramatized a vigorous part and it is a substantial contemplation. In scheming the savings portfolio, depositor sought to ponder on their monetary goalmouths, danger broad-mindedness neck and neck, and other restrictions. Investors should also consider mutual fund, stock investment and fixed deposit in choosing investment portfolios. Investors should also manage emotions, pay attention to detail analysis than to stories, manage emotions, seek contrary opinions, be a “renter” not an owner, don’t chase yesterday’s winners, Beware of crowded trades. These strategies help in overcoming behavioral finance by individuals. This paper scrutinizes the connotation and strategies for overcoming behavioral finance.

Keywords: Analytical Study, Strategies, Overcoming, Behavioral Finance.

Type of paper: research paper

Introduction

Behavioral finance is a comparatively new-fangled area that pursues to syndicate behavioral and reasoning emotional philosophy, with predictable financial and economics conduct to make available clarifications for why individuals make illogical financial verdicts (Ricciardi & Simon, 2000). It is prevalent in stock market transversely in the world for investment choices.

Olsen (1998) claimed that “Behavioral finance pursues to know and envisage regular fiscal market inferences of emotional choice procedure.”

Belsky and Gilovich (2010) have discussed behavioral finance as a social financial side and additionally well-defined as coalescing the undistinguishable discipline of mindset and economics to elucidate why and how individuals make ostensibly ridiculous choices, why they make savings deposit, finance and spend money.

Shefrin (2002)articulates that behavioral finance is the learning in what way psychology distresses fiscal choice creation and monetary marketplaces.

Pompian (2011) tried to comprehend how individuals fail to recall basics and make savings built on sentiments. Swell (2005) proclaimed that, behavioral finance is the learning of the impact of mindset on the actions of monetary experts and the ensuing consequence on marketplaces. Additionally, in 2007 he has detailed that behavioral finance tests the model of market efficiency by creating acums hooked on reasons marketplace can be unproductive owed to absurdity in human conduct.

Conferring to Shiller (1995),stockholders do not reason to comport themselves realistically. In a divergent view motivated by greediness and distress, stockholders take risks in stocks flanked by unlikely depressions. In other arguments, depositors are hoodwinked by dissipations of sentiment,
distinctive discerning and the quirks of the mass, steadily formulate illogical hope for the upcoming concert of corporations and the general financial prudence such that stock amounts blow directly above and lower essential standards and track a rather foreseeable, wave-like pathway. Stockholders conduct is a fragment of academic discipline identified as “behavioral finance” which clarify how sentiments and perceptive mistakes impact depositors and the choice-making procedure. Conduct of the individual depositors has extensively been the concentration of scholars and portfolio directors but not the stockholders themselves since the crowd temperament occasionally concluded the whys and wherefores. Human droving conduct marks from unwary rational action in persons retorting to indicators on or after the conduct of others (Prechter, 1999).

This requires better thoughtful, and adopting of humanoid nature in the prevailing worldwide viewpoint, positive growth of satisfactory services and capability to contract the best out of savings. In addition, stakeholders have to advance constructive idea, prudence, grit and drive (Paepke, 1987). Every single depositor differs as of others in all facets owed to countless influences like demographic issues, which consist of socio-economic upbringing, informative fulfilment level, oldness, race and gender (Joo & Grable, 2004). The utmost critical encounter confronted by the depositors is in the expanse of savings choices. An ideal savings choice dramatizes a vigorous part and is a noteworthy thought (Langevoort, 2009). In scheming the savings set, the depositors ought to ponder on their financial goalmouths, risk and other constrictions (Heumann, 2013). Heumann (2013) asserts that, depositors have to forecast the yield mean-variance optimization. Heumann also claims that, this procedure is well matched for established stockholders. It frequently miscarries for persons who are vulnerable to interactive prejudices. This study therefore is aimed at investigating the strategies involved to mitigate irrational investment decisions by individuals in the financial market, using data from secondary sources.

**Literature review/discussion**

In current centuries, interactive finance is flattered an indispensable fragment of choice-making procedure as it largely stimulates the depositor’s concert (Chaudhary, 2013a). Thoughtful ‘behavioral finance drive aids the depositor to hand-picked a better savings portfolio and hence circumvent reiterating the exclusive mistake in the upcoming years (Pompian, 2011). Depositors can also advance their concert by knowing their predispositions and mistakes of verdict to which we are all disposed to (Trimmer et al., 2011). The foremost aim of learning ‘behavioral finance’ is how to curtail or eradicate the psychological predispositions when making savings conclusions by depositors (Hirsh, Mar, & Peterson, 2012).

**Theories of behavioral finance**

Theories of behavioral finance are discussed below;

**Prospect theory**

This theory was developed by Kahneman and Tversky in 1979. The second sets of misapprehensions which may influence the decision process are clustered in prospect theory. He explained the several states of mind which may influence depositor’s decision-making process. The key concepts which they discussed are as follows:

**Loss aversion**

Nicolau (2011), claims that Loss aversion came up as an important psychological concept which receives cumulative attention in economic analysis. The investor is claimed to be a risk-seeker when faced with the prospect of losses, but is risk-averse when faced with the prospects of enjoying gains (Chaudhary, 2013b). This phenomenon is termed as loss aversion. Karle, Kirchsteiger, and Peitz (2015), discussed the loss aversion theory with risk aversion and accepted the ‘Kahneman and Tversky views’.

**Regret aversion**

This arises due to investors’ craving to circumvent agony of regret rising from a poor investment decision (Singh, 2012). This aversion inspires investors to keep poorly performing shares as circumventing their sale also avoids the recognition of the related loss and bad investment decision
(Singh, 2012). Regret aversion forms a tax inefficient investment strategy because investors can lessen their taxable income by realizing capital losses (Barber & Odean, 2013).

Mental accounting

Mental accounting refers to cognitive processes used by investors to establish, assess and possess track of investment activities (Nofsinger, 2016). Nofsinger (2016), claim that three components of mental accounting receive the most attention. He explained that this first captures how the outcomes are perceived and experienced, and how decisions are taken and subsequently interpreted. A second component of mental accounting encompasses the task of events to exact accounts. Both foundations and uses of funds are being labelled in real as well as in mental accounting systems. The third component of mental accounting deals with rate at which accounts are assessed and ‘choice bracketing’. Accounts are balanced daily, weekly, yearly etc., and can be delineated barely or broadly. Each of the components of mental accounting disrupts the economic principle of fungibility. As a result, mental accounting impacts choice. (Nofsinger, 2016).

Self-control

Razek (2011), claims that it requires all investors to circumvent the losses and protect the investments. As noted by Razek (2011), investors are focus to temptation and they look for tools to improve self-control. By mentally unravelling their financial resources into capital and ‘available for expenditure’ pools, investors can regulate their urge to over consume (Nofsinger, 2016). Nicolau (2011), discussed loss aversion theory with risk aversion and he accepted the ‘Kahneman and Tversky views’.

Disposition effect (Loss aversion)

Conferring to the disposition effect, investors face great trouble coming to rapports with losses. Consequently, they are predisposed to keeping losers too long and selling front-runners too early (Hens & Vlcek, 2011). This is due to the fact that depositors are often considered to always circumvent losses and seek to appreciate gains at any given period (Ritter, 2003). This position according to Weber and Camerer (1998), is the predisposition to sell those stocks that have gained in value while clinging onto those that have shed value. Weber and Camerer (1998), established that investors will tend to sell front-runners too earlier whereas keeping onto losers for so long. This is due to the fear that the winners may drop in worth, while the losers may gain value within the shortest term though this have proved not to hold in practice (Fisher & Statman, 2003). It is further noted by Fisher and Statman (2003), that people will always try to circumvent the feeling of being failures as much as they acted on the advice of others and as such, they will go further miles to make sure that they win in their actions. Hence the feeling that by achieving a particular goal in the marketplace, they feel proud of their actions thus, advancing the disposition effect (Brabazon, 2000). According to Singh (2012), the investors show regret aversion due to disposition effect where investors sell good performing stocks early and keep ailing performing stocks for too long. Thus this phenomenon has an effect of altering the pricing of stocks on the NSE as it affects the rational forces of demand and supply which play a major role on price setting on the NSE (Kisaka, 2015). This position was emphasized by Barber and Odean (2013), who speculates that disposition effect is prevalent in nature and that lately, when stocks gain or loss value the stronger the propensity for investors to sell champions and hold on losers. As such investors have been seen to keep losers longer in their portfolio than winners.

Fear of regret (Regret aversion)

According to Belsky and Gilovich (2010), Human beings in nature have the propensity to feel the agony or the fear of regret for errors being made. As such, to circumvent the agony of regret, people tend to adjust their behavior, which may end up being irrational at times. Fear of regret is ‘cognitive dissonance’, which is the mental suffering that people suffer once they are offered with the indication that their opinions are wrong (Shiller, 1995). Regret aversion according to Subash (2012), is a psychological error that results in extreme focus on feelings of remorse at a decision which turned out to be poor, mainly because the results of the substitute are evidently better for the investor to see. This
is made profound by the datum that investors do admit their slip-ups and embrace the consequences of their decisions which in itself is quite hard to phantom (Hume, 2016). This scenario forces most investors to avoid taking decisive actions for the very fear of their decisions leading to an unfavorable outcome. This could also lead to investors keeping onto losing stocks for longer period because of unwillingness to rectify mistakes in a timely manner (Trinugroho & Sembel, 2011). This could also prevent investors from making an entry into the marketplace when there is downtrend, showing signs of ending, and gives signal when is upright time to buy. According to Peterson (2011), the ‘fear of regret’ happens often when individual investors are indecisive in making investment decisions. Various psychology experimental studies suggest that regret influences decision-making under uncertainty (Heilman, Cricsan, Houser, Miclea, & Miu, 2010). As such regret avoiding investors have a propensity of circumventing distress arising out of errors of commission which are due to misguided action, and errors of omission- which occur due to missing an opportunity which existed (Trinugroho & Sembel, 2011).

**Random walk theory (random walk framing)**

Random Walk talks on the notion that changes in stock prices are random and unpredictable (Guerrien& Gun, 2011). It is thus of no use, to attempt to envisage upcoming stock prices. Previous patterns of stock price schedules ought not be conceived as a basis to induce upcoming price trends. According to Sornette and Cauwels (2014), investors often and consistently push stock prices to unsustainable levels, both upwards and downwards.

According to Novy-Marx (2013), in advocating for value investing, quotes Benjamin Graham who says, “Price is what you pay, value is what you get”. He further states that value investors buy stocks when the marketplace is bearish, when expectations of investors are low; during bullish times, the worth investors look for is good neglected stocks which are out of favor with investors. He displays that progress stock investing is based on dreams, misapprehensions or popular opinion. A research by Anyumba (2010), resolved that NSE tracks a random walk under the weak form of market efficiency.

Other components of ‘behavioral finance’ theory relevant to this discussion include the following aspects:

**Aversion to ambiguity**

People often prefer the familiar to the unfamiliar. The emotional aspect of aversion to ambiguity is distress of the unknown (Trimmer et al., 2011). Tversky and Kahneman (1974), studied how individuals respond to the prospect of loss. They establish that a loss, has about two and a half times the consequence of a gain of the same degree and this phenomenon is termed loss aversion. In this circumstance therefore, people will always attempt to avoid situations that could stance a loss as compared to individuals that present a gain by keeping onto losing positions with expectation that the prices will eventually recover in the near future (Do, 2011). According to Li and Yang (2013), investors when allowed to view stocks individually, there is the possibility of risk averse there by making them to sell quickly stocks with high prices hence depressing the same prices. On the contrary investors are also likely to hold too long on the stocks with falling prices causing the stocks prices to be negative (Kim, Li, & Zhang, 2011). According to Kim, Li and Zhang (2011), this therefore allows choice making in stocks investment sensitive to the investors actions hence further altering the normal finance theory.

**Emotional time line**

Kahneman et al. (2011), claim that it is an imperative fact to discuss emotion while analyzing financial decisions because emotions determine tolerance for risk. According to psychologist Lopes (1987), hope and fear affect the way investors evaluate alternatives. Lopes claims that these two emotions exist within investors, as conflicting poles, and one of her contributions is to establish how the collaboration of these conflicting emotions regulates the tolerance towards risk. Lopes states that emotions determine tolerance for risk and this plays a key role in portfolio selection. Lopes again mention that; it must be known that investment usually takes time along a time line. Investors feel emotional as they contemplate their alternatives, make choices about how much risk to take, ride the
financial roller coaster while watching over their investment choices and assess whether to keep to the initial strategy or alter it (Lopes, 1987).

It is also known that emotions timeline battings from left to right where investment verdicts lie at the left while goal line lie at the right (Kahneman et al., 2011). As such investors come across various emotions along the timeline with investment choices at the left, wait in the central and learn their fate at the right. Thus, the actions of investors along this time line will be directed by their degree of risk tolerance with total disdain to fundamental analysis (Ranjan Dash & Mahakud 2012). Risk tolerance determines where the investor stands on the timeline, Ranjan Dash and Mahakud (2012), claims that depositors who are risk tolerant and have enough time to take investment decisions have an appetite for stocks.

Overconfidence

Trinugroho and Sembel (2011), established that people are poorly calibrated in estimating probabilities and usually overemphasize their superiority of the knowledge and capability to do well. People are also overconfidence about good things happening in future than bad (Trinugroho & Sembel, 2011). In addition, they also claim that people overemphasize their confidence to the previous encouraging results and usually recall only their successes than their failures. When individuals are overconfident, they set excessively narrow confidence bands. They establish their high presumption too low and their low presumption too high. Trinugroho and Sembel (2011), mentioned that there are twofold foremost implications of investor overconfidence. The first is that investors take bad stakes because they fail to comprehend that they are at an unceremonious disadvantage. The second is that they trade further often than is judicious and this leads to disproportionate trading volume.

De Bondt and Thaler (1995), claims that individuals tend to make their guesses by innocently projecting trends that they perceive in the charts with the propensity to be overconfident in their capacity to estimate them accurately. However, on many occasions these confidence intervals are usually slanted, meaning that their best presumptions do not lie midway between their low and high guesses. Overconfidence can therefore be learned through past success in the logic that the more success the investor has experienced previously, the more the attribution of the same towards their ability even in instances where luck and mere fate played a role (Barber & Odean, 2013).

According to Barber and Odean (2001), overconfidence clears itself through lack of diversification. Individuals tend to finance in local companies which they are conversant with, as divergent to distant companies which might even be performing better. They also found that depositors who are more self-assured trade more often. They also came out that male investors and investors with greater portfolios or are further educated are further likely to distinguish themselves as more competent than female investors and investors with smaller portfolios or less education.

Affect

Affect is manifested through sentiments, likes and dislikes of people about something including investments (Hemmings, 2005). Hemmings also claim that, even the very name of a company brings or repel prospective investors onboard without respect to the fundamental value of the company’s stock or products. It is established that moods and emotions impact people in decision making, including investment decisions (Lerner, Han, &Keltner, 2007). Statman (2010), claim that depositors often welcome a stock or product or disapprove of it when they hear its name even before the thoughts about the growth of its company’s sales and that, “affect” is exhibited in stocks, houses, cars, watches, and many others. He further describes “Affect” as the exact value of “goodness” or “badness”, and cite Slovic, Finucane, Peters, and MacGregor (2002), who defined affect as a sensation that occurs rapidly and robotically and often without consciousness. Statman (2010), quote Zajonc (1980), “We do not just see house: We see a beautiful house, an ugly house, or a pretentious house”. The weakness and attraction to something is what mostly drives investment decisions. Thus, it is not eccentric to find stock market depositors liking or hating a particular stock based on any essential analysis but purely due to Affect
Representativeness and overreaction

The principle of representativeness and overreaction refers to decisions based on pigeonholes. A financial example to illustrate representativeness is the winner-loser effect recognized by De Bondt and Thaler (1995). Investors who depend on the representativeness experiential become overly pessimistic about previous losers and excessively optimistic about previous winners (De Bondt & Thaler, 1995). They also claim that investors overreact to both bad and good news. This therefore means that, overreaction leads previous losers to become undersold and previous winners to become high-priced.

Empirical studies on behavioral finance

(Lehavy & Sloan 2008), emphasized that anomalous empirical evidence has indeed stimulated wide-ranging research efforts to make clear the theoretical and empirical limitations of the basic finance model with its frictionless markets, comprehensive information and rational enhancing economic behavior but although much has been done, this study line is far from closure. Schachtter, Ouellette, Whittle, and Gerin (1987), demonstrated investors’ tendencies to emphasize current price trends and brief price reversals. Chopra, Lakonishok, and Ritter (1992), provided captivating evidence in sustenance of the impression that investors make irrational forecasts of future cash-flows. They also claim that if extreme optimism or pessimism is driving these illogical forecasts, then earnings announcement dates should provide the stimulus for correction.

The behavioral models propounded by various scholars, Fama and French (1996), have been utmost successful in explaining stock price irregularities related to overreaction, under-reaction, impetus strategies, steering behavior, firm size effect and BV/MV ratio effects. Barberis et al., (1998) articulated a model of security price over and under-reaction to information when investor judgment is biased by obscurantism and the representativeness heuristic. Daniel, Hirshleifer and Subrahmanyam (1998), elucidated event-related security price anomalies conferring to the cognitive biases of investor overconfidence and self-attribution. Schwert (2003), suggested that descriptions of overreaction and under reaction are not probable to be good psychological foundations upon which to organize a general theory of economic behavior. Schwert claims that Cognitive biases inadequately identify the behavioral motivations causing price anomalies.

Barber and Odean (2013), highlighted two common slip-ups depositors make:

Risky trading and the propensity to excessively grip on to trailing investments while marketing winners. They claim that these methodical biases have their roots to be from human psychology. The propensity for human beings to be overconfident impacts the first bias in depositors and the human desire to circumvent regret prompts the second.

(Jegadeesh & Titman, 1993), explained the superior returns of a momentum investing strategy over the previous 35 years due to investors’ overconfidence bias. Further study by (Dreman & Lufkin, 2000), presented evidence that investor under and overreaction exists and is slice of the same psychological process. Chan, Lakonishok, and Sougiannis (2001), found that a large stock price change, unsupported by news, on average was tailed by a statistically anomalous price movement reversal over the subsequent month. They further illustrated that the price movement reversals frequently occur when a mainstream of market representatives follow the same investing plan (buying or selling), unsupported by new information. A research by Barberis & Thaler (2001), confirmed that data does indeed show anomalous corrective activity following earnings announcements from listed companies.

Kisaka (2015), studied the influence of behavioral finance on Kenyan financial markets by use of an investment simulator and identified various psychosomatic factors such as endowment effect, disposition effect, distress of regret and framing effects as affecting the investors’ rationality in stock marketplace investment decisions. Further studies by Tetlock, (2007) recognized that behavioral finance gives an alternate clarification on why stock prices diverge from their essentially analyzed values due to depositors’ propensity to overreact and/ or under react to certain stock market conditions hence opposing from rational decision making.

Dimitrios (2007), investigated depositors’ behavior and came out that individual investors depend on more on newspapers/media and noise in the marketplace when making their investment choices, while professional depositors depend more on ultimate and technical analysis and less on portfolio analysis. This constant flow of information socially exchanged views and recommendations proves a
tough task to the investors in relations to processing and interpretation resulting into them making investment decisions built on less cultured information.

A study on behavioral asset pricing model by Kisaka (2015), established that misleading feelings such as affect, has misinformed investors into admiring stocks with a positive affect while shunning those with perceived negative affect without concrete essential and technical analysis. Nyaribo (2010), centered on overconfidence, frame dependency, loss aversion, anchoring, mental accounting and representativeness in his research on investor psychology.

A study by Anyumba (2010), claimed that NSE tails a random walk under the weak form of market efficiency. Conferring to a research by Edmans (2011), cognitive errors such as underestimation of tangible capital gains were mirrored in investment asset pricing models, hence influencing the kind of portfolios that depositors choose.

Do (2011), in his research analyzed the propensity of depositors to make gains too early and the unwillingness to liquidate trailing positions. The analysis was built on the comprehensive transaction data of the Estonian stock market. The study uncovered the consequence of loss aversion on the market as having a philosophical influence on the investment choice making by stock market depositors thus strengthening the position that behavioral finance plays a substantial role on the stock market.

Another study by Allen and Morris (2014), confirmed the argument that stock market investors relied on heuristics or rule of the thumb in making their investment choices by concentrating on a simple heuristic whereby impetuous traders are attracted to buying stocks that have recently doubled in price in expectation of further gains. It was recognized that investors that avoid trusting on this simple heuristic were probable to perform as expected, on average similar to the overall market.

Thaler (1999), also studied the influence of mental framing in the choice-making process by stock market investors. The research was designed into two parts whereby study 1 focused on the consequence of mental frames on the investor’s portfolio and the interaction between mental frames and investor expectations. Study 2 examined individual and environmental factors that impacted the kind of mental investment frame individuals hold. It came out that mental framing about depositors’ anticipation of the marketplace had an effect on the decisions made about the stocks to finance or divest in. Strumeyer (2017), in his study about understanding investor psychology for accountable financial behavior came out that behavioral finance was apparent in the choice-making process of stock market investors and is probable to interrupt the financial system and cause huge social and economic damages to depositors.

Sahi, Arora, and Dhameja (2013), study was done to ascertain the views and attitudes of the individual investors with regard to financial investment decision making, with specific respect to the investor biases, 30 exploratory semi-structured interviews were conducted to investigate and define the fundamental judgements and feelings that affect the individual investment decision-making behavior. The study established that stock market depositors have numerous opinions and preferences that bias their financial investment decisions.

Additionally, a research by Hirshleifer (2001), came out that securities markets do usually overact to earning signals there by influencing the stock market depositors’ decision making, due to the impulsiveness of the stock prices hence compelling them into applying their individual bias in choice making. This indication from the study is dependable with the spirit of the behavioral models.

Chen, Kim, Nofsinger, and Rui (2007), conducted a research to investigate investors purchasing, trading or maintaining stock decisions, investors in two different markets were studied. One group traded first in a market with prices growing steadily and after in a market with high instability and the other group traded first in the market with high volatility. This confirmed investors’ brain mapping when making decisions on which stocks to purchase, trade or hold. These results evidently show that investors use diverse reasoning approaches or tactics to make financial choices dependent on their trading experiences. A study by Aroni, Namusonge, and Sakwa (2014), sought to identify behaviors finance factors from individual investors as they set out to make investment decisions. The study concluded that there were varied behaviors of financial factors that informed the performance of individual depositors in trading shares of companies listed at the Nairobi Stock Exchange, Kenya. Some investors unveiled rational behavior in making their investment decisions. On the contrary, there were other individual investors who posted negative results due to illogicality and herding behavior.
Wamae (2013), conducted a research to ascertain the behavioral factors inducing individual investors’ decisions at the Nairobi Stock Exchange which was coxed by the following specific objectives, that is, to examine the consequence of risk aversion on investment choices in Kenyan stock market, to examine whether prospecting impacts choice making in stock market investments, to identify the effect of anchoring on investment choice in Kenyan stock market and to examine the effect of steering on investment choices in Kenyan stock market. From the study, it came out that herding effect, risk aversion, prospecting and anchoring influences the investment choice making in stock market by NSE investors in Kenya.

Waruingi (2011), in her study to identify behavioral biases which affect individual depositors at the Nairobi Securities Exchange, established that investors were affected by Availability bias, Representativeness bias, Confirmation bias and Disposition effect (loss aversion) while making their investment choices on which shares to trade in on the NSE.

Influence of behavioral finance

Several emotional and behavioral factors influence investors in choice making. The choice process by which investors discover information for themselves, usually by trial and error, lead to the advance of rules of thumb. In other words, it refers to rules of thumb which humans use to make choices in complex, undefined environments (Brabazon, 2000). The reality is that, the investors choice making processes are not firmly cogent one. Though the investors have gathered the appropriate information and empirically evaluated in which the mental and emotional factors are involved, it is very hard to separate (Tversky & Kahneman, 1974). They also claim that, sometimes it may be good, but many times it may end in poorer decision outcomes. These influences of behavioral finance include:

Representativeness

The investors’ current success incline to continue into the future. The idea or propensity of decisions of the depositors to make based on pass experiences is identified as stereotype. De Bondt and Thaler (1995) concluded that, analyses are biased in the path of current success or failure in their earnings, predicting the characteristic of stereotype decisions.

Overconfidence

Several dimensions are being mentioned in confidence. Trinugroho and Sembel (2011) mention that, confidence can give more courage and is frequently understood as a key to success. Although confidence is often stimulated and celebrated, it is not the only factor to success. They also claim that depositors who are vigilant and logical can attain success and others have to pull out. Yet, confidence, particularly self-confidence, is often seen as a positive trait. Trinugroho and Sembel (2011), also mentioned that, sometimes the investors overestimate their predictive skills or assuming more knowledge than they have. Many times, it primes to disproportionate trading.

Anchoring

It describes the shared human propensity to depend too heavily, or ‘anchor’ on one trait or piece of information when making decisions (Kannadhasan, 2006). He also claims that when presented with new information, the depositors tend to be slow to alteration or the value scale is fixed or anchored by current observations. He further claims that, they usually expect the trend of earning to remain with historical trend, which may prime to possible beneath reactions to trend changes.

Gamblers fallacy

This comes when the investors inaptly predict that trend will reverse (Shefrin, 2002). Shefrin also claim that, it might also result in keenness of good or poor end.

Availability BIAS

The depositors place undue weight for making choices on the most accessible information. This happens quite frequently (Slovic, 1972). It leads to less return and sometimes poor results also.
Strategies to mitigate behavioral finance

After an indebt learning of the fiction on social finance, it is alleged that its seamless tender possibly will brand an effective stockholder making less slip-ups (Belsky & Gilovich, 2010). In numerable precautions are required to regulate rational mistake and emotional obstructions while financing in stocks and mutual funds (Chaudhary, 2013b). According to Chaudhary, a controlled transaction plan is essential to rheostat these mental obstructions to all types of stockholders.

Investigative frame work

The researcher adopted the below figure as investigative from work to tackle the strategies involved in mitigating irrational behavioral finance by investors

**INDEPENDENT VARIABLES**

- Stock Investment
- Mutual Fund Investment
- Fixed Deposit Investment
- Manage Emotions
- Seek Contrary Opinions
- Be a renter not an Owner
- Don’t chase yester winners
- Beware of crowded trades

**DEPENDENT VARIABLES**

- Investment Decisions
- Human Judgement and Psychology

(Researcher’s model 2018)

**Figure 1.** Investigative frame work

The conceptual framework for this study was developed from the literature review by highlighting strategies that will assist in overcoming depositor behavior and psychological biases resulting in subjective investment choice making process on investments. This is represented in figure 1 where the variables / elements form the foundation of the study as reducing the process of investment decisions making are summarized. Moving from left where we have investors to the right where decisions are made, the study highlighted the ten measures to overcome the investors’ irrational decisions in between. These independent variables interface with the human judgement and psychology thus mitigating
investment decisions which are reliant on these factors. These investment strategies investors can consider to mitigate irrational investment decision are discussed below.

Stock investment

According to Chaudhary (2013a), it requires emphasis on a ‘precise savings strategy’ which could conclude the extended time to rheostat “rational slip-ups” by the depositors. It’s a most important concern for investors to retain comprehensive archives of the exact stock which was procured for their portfolio. Depositor sought to also choose exact standards for making a quick choice to purchase, auction or hold stock (De Bondt & Thaler, 1995).

De Bondt and Thaler (1995) opined that, depositors sought to riposte the ensuing inquiries before making any choice.

(i) Why depositors purchase the stock?
(ii) What is the period bound for the venture?
(iii) What is the expected percentage of return?
(iv) After a period of one year will the stock under-performed or over-performed?
(v) Do you proposed on procuring, trading or holding your situation?
(vi) How perilous is this stock within your overall set
(vii) Decision to purchase, trade and hold new shares

Mutual Fund Investment:

Chaudhary (2013a) suggested that depositors hand-picked mutual funds with a modest four step procedure which consist of the followings:

(i) Finance in only no-load mutual fund with low operative expenditure;
(ii) Aimed at reserves with a robust historic pathway record over 5-10 years;
(iii) Capitalize with tenured Portfolio Executive with a robust savings thinking;
(iv) Recognize the precise menace connected with each mutual fund.

The key to operative financing is identifying the kind of depositor you are lengthways with in effecting a solid savings plan (Ricciardi & Simon, 2000). Belsky and Gilovich (2010) claimed that Behavioral factors can help depositors to avoid mistakes. They also claim that; circumventing slip-ups is called self-protective behavioral finance tenders in savings choice making.

Manage emotions

Fogel and Berry (2006) also claimed that, investors feel greater pain from investment losses than satisfaction from investment gains. Depositors who were wounded by the overflowing of the technology bubble in 2000 and the global financial crisis in 2008 have an admissibly heightened fear of investment losses (Reinhart & Rogoff, 2009). Emotions leads to agony selling at several crucial moments in 2016 particularly in January in connection with apprehensions about China, as well as in the early hours following the Brexit poll in June and the vote of President Donald Trump in November (Miller, 2017). Investors who calmly assessed the investment implications were more possible to benefit from the opportunities provided by each event (Fogel & Berry, 2006).

Seek contrary opinions

Confirmation bias is the propensity to seek sentiments authenticating an individual’s opinion. The 2016 U.S. presidential election campaign was outstanding for the extent to which confirmation bias was dominant to the election description (Miller, 2017). Miller (2017) claimed that, many voters established their news from sources thought to favor one political party over another, with Trump voters tending to get news from Fox (and Breitbart) and Hillary Clinton voters from CNN and the New York Times. Investors are exposed to confirmation bias, as far too many depositors seek authentication from sources that buck their investment proposition, while evading conflicting opinions (Thompson, 2003). Thompson mention that the best investors seek contrarian opinions, then evaluate the strong point of the competing arguments.
Be a "Renter" Not an owner

According to Graham and Zweig (2003), investors often develop an unhealthy attachment to a stock. Graham and Zweig (2003) argued that, sometimes the attachment is linked to a personal connection to the company. In other cases, investors fail to understand that a "great" company might not constantly be a "great" stock. They again mentioned that, many well-managed and profitable companies become too expensive relative to earnings prospects, in other cases well-managed and profitable companies are left behind by disruptive economic forces. Facebook (ticker: FB) and Netflix (NFLX) are well-thought-out by many to be great companies but at recent incomes multiples, it is tougher to consider them great stocks(Graham & Zweig, 2003). Graham and Zweig (2003) argued that, Best Buy Co. (BBY) was well-thought-out to be a great company for many years, but variations in retailing triggered by the "Amazon" upshot made Best Buy stock a straggler for much of this decade. Many fruitful depositors think of their stocks as "rentals," which forms the emotional distance required to remain un biased about choices whether to sell or keep current holdings(Graham & Zweig, 2003).

Don't chase yesterday's winners

Depositors typically ignore legal disclosures that, previous performance is not an assurance of upcoming performance(Love & Klapper, 2002). Love and Klapper (2002) claimed that, "Performance chasing" is a common phenomenon with money flowing into recent winners and away from recent losers. According to Odean (1998), Depositors erroneously suppose current victory to endure into the future nevertheless, performance often regresses to longstanding means so hurling last-year's victors often primes to sheathing performance and a spiteful sequence of high turnover.

Beware of crowded trades

Success breeds imitation in the savings industry and a herd of imitators can end a successful investment strategy(McGrath, 1997). Quantitative investment tactics increased acceptance in the early part of the 2000s, but many "quants" ended up as part of masses that invested in the same stocks(Schoenfeld, 2011). Schoenfeld (2011) argued that, the quant boom ended badly with the "quant quake" of 2007 as the herd headed for the exits at the same time. Popular trades have a way of becoming too popular as investors burned by the technology bubble, the BRIC craze, and currency "carry" trades that have been discovered (Schoenfeld, 2011). Schoenfeld (2011) argued that, reversals of fortune can be particularly painful for depositors who are among the last into a crowded trade. He further argues that, following the masses can be a bad idea, and investors should do their homework before joining a crowded trade.

Pay more attention to detailed analysis than to stories

Lounsbury and Glynn (2001) argued that, humans like stories and often create a narrative that supports their investment decisions. Midstream energy MLPs such as oil and gas pipelines became common reserves few years ago, offering striking historical returns, foreseeable cash flows, and a gradation of inflation protection(Massey, 2016). Massey (2016) claimed that when energy prices started to decline, the popular narrative was that, midstream energy companies would not be vulnerable to declining prices given long-term volume-based contracts. Massey (2016) further claimed that, the "story" and reality diverged however, as declining oil prices led to declining volumes, which in turn led to excess capacity and financial pressure all over the oil and gas industry. Midstream energy companies felt the pain of lessening energy prices and midstream MLPs that archaeologically were uncorrelated to energy prices, abruptly had a high correlation to energy prices (Massey, 2016). It is dangerous to become captive to a thematic "story" and important to complete the research necessary to determine any flaws in the narrative(Knight, 2001).

Warren Buffett provides some valuable advice that applies to behavioral biases: be greedy when others are fearful, fearful when others are greedy (Buffet, 2008). Buffet (2008) claimed that, the most successful investors are aware of behavioral traps, and take steps to avoid them.

The table below summarizes the results of this study.
Table 1. Summary results

<table>
<thead>
<tr>
<th>Determinant/ variable (investment strategies)</th>
<th>Results</th>
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</thead>
<tbody>
<tr>
<td>1.Stock investment</td>
<td>Due diligence by investors in Stock investment is significant in choosing investment avenue.</td>
</tr>
<tr>
<td>2.Mutual fund investment</td>
<td>Following the right step is Significant in making investment decision on mutual fund.</td>
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<tr>
<td>3.Investment in fixed deposit.</td>
<td>Fixed deposit (treasury bill) less risky and significant to investment decision.</td>
</tr>
<tr>
<td>4.Manage emotions</td>
<td>Very significant to investment decision</td>
</tr>
<tr>
<td>5.Seek contrary opinions</td>
<td>Significance in investment decision</td>
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<tr>
<td>6.Be a renter not an owner</td>
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<td>8.Beware of crowded trades</td>
<td>Significant in investment decision making</td>
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<td>9.Pay more attention to detailed analysis than to stories.</td>
<td>Significant in investment decision making</td>
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Source: From the literature

Discussion of results

Wamae (2013), conducted a research to ascertain the behavioral factors inducing individual investors’ decisions at the Nairobi Stock Exchange which was coxed by the following specific objectives, that is, to examine the consequence of risk aversion on investment choices in Kenyan stock market, to examine whether prospecting impacts choice making in stock market investments, to identify the effect of anchoring on investment choice in Kenyan stock market and to examine the effect of steering on investment choices in Kenyan stock market. From the study, it came out that herding effect, risk aversion, prospecting and anchoring influences the investment choice making in stock market by NSE investors in Kenya. Waruingi (2011), in her study to identify behavioral biases which affect individual depositors at the Nairobi Securities Exchange, established that investors were affected by Availability bias, Representativeness bias, Confirmation bias and Disposition effect (loss aversion) while making their investment choices on which shares to trade in on the NSE. However, According to Chaudhary (2013a), it requires emphasis on a ‘precise savings strategy’ which could conclude the extended time to rheostat “rational slip-ups” by the depositors. It’s a most important concern for investors to retain comprehensive archives of the exact stock which was procured for their portfolio. Depositor sought to also choose exact standards for making a quick choice to purchase, auction or hold stock(De Bondt & Thaler, 1995). It is therefore concluded that, due diligence in choosing stock investment, mutual fund and fixed deposit investment reduces the irrational investment decision.

Fogel and Berry (2006), also claimed that, investors feel greater pain from investment losses than satisfaction from investment gains. Depositors who were wounded by the overflowing of the technology bubble in 2000 and the global financial crisis in 2008 have an admisibly heightened fear of investment losses(Reinhart & Rogoff, 2009). From Fogel and Berry (2006) study, it can be concluded that managing emotions by investors is of significance in mitigating irrational investment decisions by investors.

It is often said that, “confirmation bias is the propensity to seek sentiments authenticating an individual’s opinion” (Miller, 2017). The 2016 U.S. presidential election campaign was outstanding for the extent to which confirmation bias was dominant to the election description (Miller, 2017). Miller (2017) claimed that, many voters established their news from sources thought to favor one political party over another, with Trump voters tending to get news from Fox (and Breitbart) and Hillary Clinton voters from CNN and the New York Times. However, Thompson, (2003) mentioned that, the best investors seek contrarian opinions, then evaluate the strong point of the competing arguments. From
Thompson, (2003), argument, it can be concluded that seeking contrary opinions by investors can help mitigate irrational investment decision.

Graham and Zweig, (2003) argued that, many well-managed and profitable companies become too expensive relative to earnings prospects, in other cases well-managed and profitable companies are left behind by disruptive economic forces. An instance is Facebook (ticker: FB) and Netflix (NFLX) which are well-thought-out by many to be great companies but at recent incomes multiples, it is tougher to consider them great stocks (Graham & Zweig, 2003). Graham and Zweig, (2003). Many fruitful depositors think of their stocks as "rentals," which forms the emotional distance required to remain un biased about choices whether to sell or keep current holdings(Graham & Zweig, 2003). From Graham and Zweig (2003) study therefore, it can be concluded that, being a renter and not an owner about an investment is of great significance.

According to Odean (1998), Depositors erroneously suppose current victory to endure into the future nevertheless, performance often regresses to longstanding means so hurrying last-year's victors often primes to sheathing performance and a spiteful sequence of high turnover. Depositors typically ignore legal disclosures that, previous performance is not an assurance of upcoming performance (Love & Klapper, 2002). From Love and Klapper, (2002), it can also be concluded that, investors who desist from chasing yesterday's winners, have the chance of reducing irrational investment decision making.

Schoenefeld (2011), argued that, reversals of fortune can be particularly painful for depositors who are among the last into a crowded trade. He further argues that, following the masses can be a bad idea, and investors should do their homework before joining a crowded trade. From the argument by Schoenefeld, (2011), concluded that, investors should beware of crowded trades and this will help reduce irrational investment decision making.

Lounsbury and Glynn (2001) argued that, humans like stories and often create a narrative that supports their investment decisions. Warren Buffett provides some valuable advice that applies to behavioral biases: be greedy when others are fearful, fearful when others are greedy (Buffet, 2008). Buffet (2008) claimed that, the most successful investors are aware of behavioral traps, and take steps to avoid them. From Buffet (2008), it can be concluded that paying more analysis to detailed analysis than to stories is significance in mitigating irrational investment decision.

**Conclusion**

From the study, Behavioral finance tactic explores the interactive patterns of stockholders and cracks to comprehending what way these outlines guide savings decision. Correspondingly, Social factors play a dynamic part in the decision-making course of the depositors. Hence the depositors have to take essential phases to curtail or side step delusions for inducing in their decision-making course, considering investment verdicts in particular. Its concluded from the study that, Investors should consider mutual fund, stock investment and fixed deposit in choosing investment portfolios following due diligence. Investors should also manage emotions, pay attention to detail analysis than to stories, seek contrary opinions, be a "renter" not an owner, don’t chase yesterday's winners, and being aware of crowded trades. Also, in scheming the savings portfolio, the depositor sought to reflect their monetary goalmouths, risk broad-mindedness level, and other constrictions. These strategies help overcome behavioral finance by individual investors.

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Reference


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