Journal of Business Studies (JBS)

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Faculty of Management Studies & Commerce University of Jaffna, Sri Lanka

Volume 3(2), 2016

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Journal of Business Studies (JBS)

The Faculty of Management Studies and Commerce publishes a journal entitled "Journal of Business Studies (JBS)" carrying research papers in various disciplines of business and management specially accounting and finance, human resources management, marketing and economics contributed by academics of Universities and others of Sri Lanka and abroad on a bi-annual basis during mid and end of the year.

JBS will provide forum for presenting the views of academics, researchers, practicing managers and entrepreneurs all over the world, on different business issues of contemporary relevance.

The JBS will be a respected journal with the history of innovation and excellence in management research. International in scope and readership, the JBS is a multidisciplinary journal, publishing articles on economics, accounting, financial management, marketing, methodology, organization theory and behaviour, strategic and human resource management from empirical studies and theoretical developments to practical applications.

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It aims to share and disseminate the empirical research findings with academia, industry, policy makers, and consultants with an approach to incorporate the research recommendations for the benefit of one and all.

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- 1. Each research paper submitted to the journal is subject to the following reviewing process:
- 2. Each research paper will be initially evaluated by the members of the editorial board for screening purpose.
- 3. The research paper(s) passed through screening at this level will be forwarded to two referees one from Sri Lanka and other from abroad for blinded review.
- 4. At this stage, two referees will carefully review the research paper(s), each of whom will make a recommendation to publish the paper in its present form/modify/reject.
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- Finance and Risk Management
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- Marketing Management
- Management information system and information technology
- Organizational Behavior
- Operations and supply Chain Management
- Quantitative techniques in business

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PREDICTING EMPLOYEES' JOB SATISFACTION WITH PEOPLE-RELATED TQM PRACTICES: CASE IN APPAREL MANUFACTURING INDUSTRY, SRI LANKA

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ABSTRACT

People-Related Total Quality Management (PRTQM) practices mainly involve with the "soft" performance of the organization as same as human resource practices. Therefore, the PRTOM practices have a direct impact on employee satisfaction. Job satisfaction is identified as the main construct which effects on employees' commitment level, which leads to the productivity of the human resource. This paper focuses on to identify the relationship between the PRTOM practices and employees' Job Satisfaction in the context of the Apparel Manufacturing sector in Western Province in Sri Lanka. Senior level managers who belong to the areas of Production and Quality of 15 randomly selected Apparel Manufacturing organizations were used as the sample and a self-administered questionnaire was used to collect data. Psychometric evaluation of the measuring tool was done through Confirmatory Factor Analysis and Reliability Analysis. The Correlation Analysis was used to measure the strength and the significance of the relationship between the level of PRTOM practices and employees' Job Satisfaction. Multiple Linear Regression Analysis was used to measure the impact of individual PRTOM factors on the Job Satisfaction of senior Managers. Results of this study illustrated a positive relationship between PRTQM practices and employees' Job Satisfaction. The average level of Job Satisfaction and identification of the opportunities for Teamwork are significantly higher in females than their male counterparts. Compensation has no significant impact on Satisfaction. The level of influences of Leadership, Training opportunities, Empowerment, and Involvement, on the Job Satisfaction, varied according to the gender of the employee. Opportunities for Teamwork, Leadership, and Involvement are the significant factors for the Job Satisfaction of male employees but the Involvement and the Empowerment are the significant factors for the female employees. Ignoring the gender difference of the senior managers, Involvement, Leadership, and opportunities for Teamwork, together shows significant impact ($R^2 = .381$) on the Job Satisfaction of employees in the Apparel Manufacturing sector.

Keywords: People-related TQM, Employees' job satisfaction, Apparel manufacturing industry

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1. INTRODUCTION

Employees play a crucial role in implementing organizational strategies (Lilly & Maheshwari, 2014). According to Lilly and Maheshwari (2014) satisfied employees lead to a great performance in any type of organization.

Industrial sector of Sri Lanka is very important in terms of export revenue. Among the main categories of the industrial sector, manufacturing industry sector holds the highest number of establishments and highest density of employees (Department of Census and Statistics, Sri Lanka, 2015).

According to the Annual Survey of Industries in 2013, (ASI 2013) the manufacturing of wearing apparel is the highest in terms of density of employees (Department of Census and Statistics, Sri Lanka, 2015). According to these statistics even with the highest density of employees and the second largest number of establishments belongs to the wearing apparel manufacturing sector, their productivity is lesser than the other sectors. Hence, it arises the problem of why the employees of Apparel Manufacturing industry showing a poor productivity level than the other sectors.

Employees' productivity has significant impact from the "Employees' satisfaction" and it is considered as one of the important determinants of employees' productivity along with employee attitude and commitment (Koh & Boo, 2004; Ofoegbu & Joseph, 2013).

Parvin and Kabir (2011) stated that the working conditions, pay and promotion, job security, relationships with co-workers, and relationships with supervisors are the important factors contributing to employees' satisfaction.

Human Resource Management (HRM) expertise recognized these factors as the essential management practices in an organization (Boon, Arumugam, Safa, & Bakar, 2006). The "Soft" elements of People-Related practices in Total Quality Management (PRTQM) like commitment, involvement, training, empowerment, compensation, and teamwork are very similar to these essential HRM practices (Prajogo & Cooper, 2010).

Thinking of "Quality" in organizations started with the inspection and then evolved the quality control. Quality control expanded into quality assurance and finally developed as quality management (Hoyle, 2007).

In 1979, Crosby identified 14 steps to improve "quality" of an organization (Janakiraman & Gopal, 2007, 79) and later in 1986, Dr. Edward Deming also defined, similar 14 points for improving the "Quality" of the management of an organization (Suganthi & Samuel, 2011). With these interventions TQM philosophy emerged and is concerned to be applicable in any part and any type of organization (Magd & Curry, 2003).

TQM proponents stated that the ultimate goal of TQM is customer satisfaction (Mehra & Ranganathan, 2008). But in order to satisfy external customers it is essential to satisfy internal customers first (Janakiraman & Gopal, 2007; Prajogo & Cooper, 2010). There is a shortage of adequate empirical findings in the area of TQM, to ensure the impact of PRTQM practices on employees' job satisfaction (Boon, Arumugam, Safa, & Bakar, 2006; Amin & Ahmad, 2015). Therefore, this study attempts to examine the relationship between PRTQM practices and employees' job satisfaction in Apparel Manufacturing organizations in Sri Lanka.

2.OBJECTIVES OF THE STUDY

The objectives of the current study are to measure the strength and significance of the relationship between the PRTQM practices and employees' job satisfaction and to measure the impact of the level of the PRTQM practices on employees' job satisfaction.

3. LITERATURE REVIEW

TQM is a philosophy and a prominent source of competitive advantage (Prajogo & Cooper, 2010; Boon, Arumugam, & Hwa, 2005; Suganthi & Samuel, 2011) which focusing on continuously improving the quality of the products by considering customer's expectations to achieve greater performance while ensuring the customer

satisfaction (Sadikoglu & Olcay, 2014). Quality gurus have contributed to the emergence of TQM as a philosophy (Suganthi & Samuel, 2011; Janakiraman & Gopal, 2007; Ahire, Golhar, & Waller, 1996; Magd & Curry, 2003). Most studies have been focused on examining the effect of TQM in operational performance and business performance (Kuruppuarachchi & Perera, 2010; Prajogo & Cooper, 2010; Sadikoglu & Olcay, 2014). There have shown positive relationships between TQM practices and organisation wide performances (Flynn, 1994; Sadikoglu & Olcay, 2014). However, the need for rigorous studies in understanding the relationship between TQM and a broader set of organizational outcomes is identified by many researchers (Prajogo & Cooper, 2010; Boon & Arumugam, 2005).

TQM contains techniques, tools, and practices in two types (Alsughayir, 2014; Lewis, Pun, & Lalla, 2006). The first is called "hard" TQM elements (Table 3.1) which contains a range of tools and techniques and the second is "soft" elements and it contains people-related practices (Prajogo & Cooper, 2010; Lewis, Pun, & Lalla, 2006). The "soft" factors are long term and "hard" factors give the support to the implementation of "soft" factors (Lewis, Pun, & Lalla, 2006).

In 1986 Deming (cited in Prajogo & Cooper, 2010) who contributed to the TQM philosophy by emphasizing important essential technique of Statistical Process Control (SPC) also, convey the significance

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of the soft-TQM practices. Among the Deming's 14 points, more than half are concerned particular practices related to the human aspects (Prajogo & Cooper, 2010). His 14 points include practices related to the people such as training, leadership, and empowerment. In 1979, another quality philosopher Crosby (cited in Prajogo & Cooper, 2010) also have emphasized in his 14 steps of continuous improvement soft-TQM factors like training, communication, and reward system for quality. There is no

PRTQM practices (Appendix I) and their role in influencing organisational performance and quality achievements (Fotopoulos & Psomas, 2009) and have been shown positive relationships (Prajogo & Cooper, 2010). However, there are very few studies that have studied the particular impact of PRTQM practices on employees' job satisfaction (Alsughayir, 2014; Prajogo & Cooper, 2010; Chang, Chiu, & Chen, 2010; Amin & Ahmad, 2015).

Elements of "Soft" TQM	Elements of "Hard" TQM
 Top management commitment 	 Cause and effect diagram
 Strategic quality planning 	 Scatter diagram
 Employee involvement 	 Affinity diagram
 Supplier management 	 Relations diagram
Customer focus	 Force-field analysis
 Process orientation 	Run chart
 Continuous improvement 	 Control charts
 Facts-based decision-making 	 Quality function deployment
 Human resource development 	 Failure mode and effect analysis

	Table 3.1:	"Soft"	and	"Hard"	ТОМ	Elements
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Source: Fotopoulos & Psomas (2009, p. 152)

general agreement or evidence on which essential TQM practices are better for human capital creating due to the fact that it seems to have a lack of empirical support (Chang, Chiu, & Chen, 2010). However, the importance of balancing both these aspects is identified for successful TQM implementation (Sirvanci, 2004; Boon, Arumugam, & Hwa, 2005).

In the recent past, there was a significant number of research studies discussed the

Prajogo and Cooper (2010) have highlighted three reasons for examining the relationship between PRTQM practices and employees' job satisfaction. First, "soft", or PRTQM practices largely affect to "soft" performance not the financial performance. Second, those specific PRTQM practices will first affect the "soft" performance before affecting the "hard" aspects performance. Third, it has been assumed and insisted that job satisfaction in return may lead to a higher commitment by employees in enhancing TQM programs. A related work in the literature also emphasized the fact that the TQM concept is not limited to enrich only the effectiveness of financial performance, but it also improves internal customers' satisfaction (Amin & Ahmad, 2015) and TQM is a way of managing with the impression to enhance employees' attitude (Wood & Peccei cited in Boon, Arumugam, & Hwa, 2005). Therefore, it is visible the likeliness of PRTQM practices to the HRM practices, thus, the arguments suggesting that PRTQM practices impact on the employees' job satisfaction as same as HRM practices (Prajogo & Cooper, 2010; Boon, Arumugam, & Hwa, 2005).

Employee job satisfaction can be defined as "a pleasurable or positive emotional state resulting from the appraisal of one's job experience" (Locke cited in Saiyadain, 2003). Some studies have recognised employees' satisfaction as a crucial factor for survival and success of the Service Organisations (Chang, Chiu, & Chen, 2010). However, according to Lilly & Maheshwari (2014), satisfied employees lead to great performance in any type of organisation. Employees' satisfaction may leads to high level of retention and therefore, it minimizes high level of absenteeism results to recruitment and re-training and, these can affect to the bottom line of the organisation (Ofoegbu & Joseph, 2013). Evidence from previous studies indicated that satisfied employees tend to be more loyal to the organisation and maintaining a loyal workforce is a qualification for the successful TQM implementation (Chang, Chiu, & Chen, 2010). The growing interest in employee satisfaction has led to the studies about the antecedents and consequences in TQM literature (Matzler, Fuchs, & Schubert, 2004). The related studies have emphasized the factors contributing to employees' job satisfaction such as; training and development, leadership, teamwork, pay and promotion, employee participation, employee empowerment as management practices recognised in the area of HRM (Boon, Arumugam, & Hwa, 2005; Parvin & Kabir, 2011; Khuong & Tien, 2013) and TQM literature (Chang, Chiu, & Chen, 2010; Amin & Ahmad, 2015; Ahire, Golhar, & Waller, 1996).

Importance of training is highlighted, unless employees have received formal and systematic training in quality management, other TQM elements such as; employee empowerment and involvement would not be effective (Ahire, Golhar, & Waller, 1996). Training is a valuable source for employee to expand their knowledge and skills to engage team work for the efficient manner (Chang, Chiu, & Chen, 2010). Training can be in different forms such as; on the job training or information can be provided to employees about educational programs available in professional institutions (Pekar, 1995).The positive and significant impact of training on employees' job satisfaction has been identified in the literature (Boon, Arumugam, & Hwa, 2005; Prajogo & Cooper, 2010).

One of the key elements of TQM is employee empowerment involves encouraging employees to respond to quality related problems and it also requires supply them with the resources and authority to do so (Prajogo & Cooper, 2010).

Teamwork takes place in various forms such as; quality control circles (QCC) and quality improvement teams (Prajogo & Cooper, 2010). Working as a team leads to better employee attitude and supportive relationship between members facilitates the work (Alsughayir, 2014).

Top management leadership is considered as the preliminary step (Prajogo & Cooper, 2010) and critical ingredient (Chang, Chiu, & Chen, 2010) before an organization starts with putting TQM in implementation because the right tools and the right systems to do a good job by employees can be supplied only by management (Pekar, 1995). Managers of all layers of the organization must be committed to quality improvement (Pekar, 1995) and that must be visible (Ahire, Golhar, & Waller, 1996).

Ideas about compensation are that the value of the reward should be matched to the value of the accomplishment and it should be consistent for everyone in every time (Pekar, 1995).

Employee involvement or participation in quality improvement is central and this requires developing both top-down and bottom-up communication channels, providing a mechanism for employees, give their concerns and suggestions on quality issues and direct participation in the decision making process (Prajogo & Cooper, 2010). Organisations can develop formal systems to encourage, track, and reward employee involvement but, if the extent and quality of participation declines, it may lead to dissatisfaction of the workforce (Ahire, Golhar, & Waller, 1996).

4. METHODOLOGY

The conceptual framework of the current study (Figure 4.1)was developed by using theoretical perspectives and literature that related to the research area. The utilized measures are exhibited in Appendix II.

4.1 Hypotheses of the Study

Literature provides evidence for the existence of a relationship between the PRTQM practices and employees' job satisfaction (Prajogo & Cooper, 2010). Therefore, the hypotheses postulated in this study are;

• H1: Higher the independent factors (quality of TML, quality of ET, the level of EE, the level of EI, opportunities for T, and level of C), higher will be the job satisfaction of the employees.

 \cdot H2: Gender of the employee moderate the relationship of independent factors (quality of TML, quality of ET, the level of EE, the level of EI, opportunities for T, and the level of C) to the job satisfaction of the employees.

4.2 Study Method and Sampling Procedure

The population of the current study defined as all senior managers of Apparel manufacturing organizations in Western Province, Sri Lanka. Ten organizations were selected randomly from the BOI zones (Wathupitiwala, Katunayake, and Biyagama) and five organizations were selected from outside the zones. All the senior managers who work in the selected organizations were considered as the study sample.

A cross-sectional survey was utilized to gather quantitative data for the study. A selfadministered questionnaire was used as the measuring tool and it was distributed among all the senior managers in the above said organisation.

4.3 Method of Data Collection

Data collection was done within a specific period of time across the multiple sections.





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Data collected from 129 employees out of 200 questionnaires distributed across 15 apparel manufacturing organisations. The response rate is 64.5%.

PRTQM measures developed and validated by Ahire, Golhar, and Waller (1996) was used as the base for the questionnaire and the researchers have made appropriate modifications when necessary. The measures adopted in this study are; 14 items for Leadership (top management commitment) including the importance given to quality by senior managers, setting quality goals, allocation of resources, and performance evaluation of managers based on quality; 16 items for Employee Training including availability of resources for training, completeness, adequacy and effectiveness of training, participation in training sessions, training given on "TQM", "continuous improvement", and "basic statistical-techniques"; 5 items for Employee Empowerment including authorisation to inspect own work, encouragements to finding and fixing problems, providing resources to fix the problems, providing assistance for solving problems, and supporting infrastructure; 6 items for Employee Involvement including encouragements to give suggestions about quality, evaluating participation in quality improvement, and suggestion consideration and implementation; 3 items for Compensation including financial incentives as a reward for superior quality performance and profit sharing with

employees; and 3 items for Opportunities for Teamwork including involvement with quality improvement teams and usage of cross-functional teams for solving quality problems.

Measures of Job Satisfaction were adopted from the work of Prajogo and Cooper (2010). Job Satisfaction was measured through the Internal Work Satisfaction (4 items) and Growth Satisfaction (4 items).

5. DATA ANALYSIS AND FINDINGS

Confirmatory Factor analysis and Reliability analysis were used to test the unidimensionality, consistency and reliability of constructs in the measuring tool, prior to the data analysis. All items of the tool consist of 5-point itemized scale measures and the Cronbach's Alpha was used to test the reliability of each construct separately. All Cronbach's Alpha values exceed 0.6 and it indicates the reliability and consistency of each construct in the tool (Table 5.1).

Average scores given by the respondents for each PRTQM practice and the Job Satisfaction were analyzed to compare the differences in the lives of two gender groups of the managers (Table 5.2). All the scores are higher in female managers than the male managers, but the identification of the opportunities for Teamwork and the Job Satisfaction show significantly (5% level) higher level among female managers.

The correlation coefficient was used to measure the strength and the significance of

the relationship between the level of PRTQM practices and employees' Job Satisfaction. Since the variable Job Satisfaction was not fulfilled the requirements of the Normality test, the Spearmen's Coefficient of Correlation (nonparametric) was used to measure the relationships.

According to the figures in table 5.3, all the PRTQM practices other than the Compensation show significant positive correlation with the Job Satisfactions of the managers.

PRTQM practices such as Compensation and Teamwork are not showing a significant relationship with female employees' Job Satisfaction. Leadership, Empowerment, and Compensation are not showing a significant relationship with the Job Satisfaction of their male counterparts.

Table	5.1:	Relia	bility	Analysis
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Variable	Cronbach's
	Alpha value
Leadership	0.82
Quality of training	0.78
Empowerment	0.68
Involvement	0.79
Teamwork	0.66
Compensation	0.68
Job satisfaction	0.88

ource: Survey data

Simple linear regression models fitted to observe the impacts of individual PRTQM factors on the Job Satisfaction of the Senior Managers. Further, the moderating impact of the gender of the employee was tested. Results show that the gender of the employee has significant (5% level) moderating impact on the individual relationships from Leadership, Training, Empowerment, and Involvement, to the Job Satisfaction.

	Variab	les	
PRTQM	Gend	er (Frequ	ency)
	Female	Male	Total
	(47)	(82)	(129)
Leadership	3.83	3.80	3.81
Training	3.62	3.60	3.61
Empowerment	3.87	3.72	3.78
Involvement	3.71	3.54	3.60
Compensation	3.51	3.45	3.47
Teamwork	3.8	3.52	3.65
Satisfaction	4.16	3.92	4.01

Table 5.2: Average Scores of the Variables

Source: Survey data

Multiple linear regression analysis was carried out in order to measure the impact of the level of PRTQM practices on employees'

TQM Practices	Spearman's rho coefficient			
	All	Female	Male	
Leadership	.19*	.33*	0.13	
Training	.40**	.55**	.35**	
Empowerment	.32**	.54**	0.19	
Involvement	.51**	.57**	.49**	
Compensation	.08	0.02	0.11	
Teamwork	.35**	-0.07	.52**	

Table 5.3: Correlation Analysis

*. Correlation is significant at the 0.05 level.

**. Correlation is significant at the 0.01 level. Source: Survey data

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Job Satisfaction.²⁶ The stepwise selection method used to extract the best model for the data. Initially, two separate models were fitted for male employees and the female employees in the sample (Table 5.4).

Teamwork, Leadership, and Involvement have significant impacts on the Job Satisfaction of male employees with the model accuracy of 39%. But Involvement and Empowerment are the significant factors influence to the Job Satisfaction of female employees with the model accuracy of 43%.

In general, the PRTQM practices such as Involvement, Leadership, and Teamwork show significant impacts on the Job Satisfaction of the senior managers in Apparel industry (Table 5.5). The accuracy of the fitted model is 38.1% and the Involvement has the highest impact on the Job Satisfaction.

As a moderating factor, "Gender" of the employee is not showing any significant impact on this overall model (multiple linear regression model).

6. DISCUSSION AND CONCLUSIONS

This study examined the impact of the PRTQM practices on employees' Job Satisfaction in Apparel manufacturing organizations in Western Province Sri Lanka. Similar studies have been conducted in Australia (Prajogo & Cooper, 2010), Pakistan (Amin & Ahmad, 2015), SaudiArabia (Alsughayir, 2014), and India (Jha & Kumar, 2012).

Table 5.4:	Model	fitted	by the	Gender o	of

the Employee					
		ndardised fficient	Stand. Coeff.		
	COE	Std.	Coeff.		
	в	Error	Beta	Sig.	
Gender : Male					
(Constant)	.84	.53		.12	
Teamwork	.31	.08	.39	.00**	
Leadership	.33	.13	.23	.01*	
Involvement	.21	.09	.25	.02*	
Gender: Female					
(Constant)	1.57	.44		.00	
Involvement	.33	.11	.41	.00**	
Empowerment	.35	.13	.36	.01*	

Correlation is significant at the 0.05 level.
 **. Correlation is significant at the 0.01 level.
 Dependent Variable: Job Satisfaction

Source: Survey data

Female employees claimed that the quality of the leadership, opportunities for training, the level of empowerment, opportunities for involving in the decision-making activities, the level of compensation given, and the opportunities for work as a team are in average level but their ratings are higher than the ratings of their male counterparts. The level of Job Satisfaction and the identification of opportunities available for Teamwork are significantly higher in females than their male counterparts.

In achieving the objective of measure the strength and significance of the relationship between each PRTQM practice and Job

Table 5.	.5: Moo	del fitte	l to	the	Senior
	N	Ianager	s		

		-		
	Unstan	dardised	Stand.	
	Coef	ficients	Coeff.	
		Std.		
	В	Error	Beta	Sig.
(Constant)	.84	.40		.04
Involvement	.31	.07	.37	.00**
Leadership	.35	.10	.26	.00**
Teamwork	.19	.06	.24	.00**

*. Correlation is significant at the 0.05 level.

**. Correlation is significant at the 0.01 level.

Source: Survey data

Satisfaction, it was apparent that findings were different from previous studies. The results show significant positive relationships of Leadership, employee Training, employee Involvement, employee Empowerment, and Teamwork with the Job Satisfaction. This indicates that the Job Satisfaction is a result of collective practices of PRTQM and when the PRTQM practices are in higher level the Job Satisfaction of the employee will also be high. This finding is supported by the findings of Prajogo and Cooper (2010). Compensation had a positive but an insignificant relationship with Job Satisfaction. The insignificance of the relationship between reward (compensation) and Job Satisfaction as also found by Amin and Ahmad (2015). Findings of Alsughayir (2014) also confirmed the strong positive relationship between working as a team (Teamwork) and the Job Satisfaction.

The general objective of this study is to

examine the impact of the PRTQM practices on employees' Job Satisfaction. The study considered the impact of quality of the Leadership, employee Training, employee Empowerment, employee Involvement, and Teamwork on the Job Satisfaction as similar to two other previous studies done by Prajogo and Cooper (2010) and Amin and Ahmad, (2015).

PRTQM practices differently influence to the male and female employees on their Job Satisfaction. Male employees Job Satisfaction occur as a result of opportunities available for Teamwork, quality of Leadership and opportunities for Involve/ take responsibility in organizational activities, while the female employees Job Satisfaction occur as a result of two similar factors such as the opportunities for Involve/ take responsibility in organizational activities and level of authority (legally and officially) given to them (Empowerment) to handle their managerial activities.

Ignoring the gender difference of the senior managers in Apparel industry, Sri Lanka, their Job Satisfaction depends on their Involvement, the quality of the Leadership, and opportunities available for work as a team (Teamwork) in their organization. The senior managers' expectation is to involve and take responsibilities in their organizational activities with the legal and official authority to take decisions and actions related to their managerial activities. Further, they expect clear directions for the goals that have to be achieved and the collaborative working environment from the top management of the organization. Alsughayir (2014) has found that Teamwork and Reward (compensation) have an impact on Job Satisfaction in Saudi Arabian Telecom Company. Though the Teamwork is a significant factor of Job Satisfaction, the Compensation is not showing a significant relationship with Job Satisfaction among the senior managers in the Apparel Manufacturing Industry, Sri Lanka.

7. RECOMMENDATIONS

This study provides an insight of PRTQM practices that make an impact on Job Satisfaction of employees in Apparel Manufacturing Organizations in Sri Lanka. Employees' satisfaction is considered as an important driver of productivity along with employee commitment and employee attitude. The productivity of any manufacturing organisation depends on the performance of the employees. From that view, this study attempted to examine whether there is an impact from PRTQM practices on Job Satisfaction of employees in Sri Lankan Apparel manufacturing industry. The decreasing trend in the productivity (output) of the Apparel Industry in Sri Lanka (ASI 2013) can be controlled by strengthening the senior managers who are engaged in executing administrative activities. Enhancing their Job Satisfaction will be one of the management strategies that can be used by the top management of the organization.

Regardless of the gender of the senior managers, providing opportunities to involve/ take part in managerial activities, decision-making bodies, and allowing them to share their ideas and views will be effective strategies to enhance their Job Satisfaction Further, providing facilities and creating a culture to work as a team with the senior administrative and the junior employees will also be good for their satisfaction. Finally, the transparency of the qualities of the leadership and directing them clearly to the goals of the organization will enhance the satisfaction of the senior managers. Giving authority/ power (empowerment) to take decisions legally and officially specially for the female senior managers will be favourable for their satisfaction.

Since it is implicated that employee involvement and leadership have a significant influence on satisfaction, top managers have a critical role in determining employee satisfaction. Leadership dimensions and employee involvement dimensions such as; clarity of the quality goals, importance given to quality as a strategic issue, allocation of resources to quality improvement efforts, performance evaluation of managers based on quality, encouragement for employees to give suggestions and implementation of them, and framework for evaluating the quality of participation are recommended to enhance within those organization settings.

8. LIMITATIONS OF THE RESEARCH

There are several limitations of this study. First of all, it may lack generalizability, due to the sampling technique. The population considered in the study is only the organizations in Western Province, Sri Lanka. It does not necessarily reflect the perception and level of satisfaction of employees in the Apparel manufacturing organizations outside the Western Province Sri Lanka.

Limited availability of previous studies, literature, and figures was another constraint, especially in Sri Lankan context. Therefore, this particular research is limited to less background knowledge in the area of study.

Further research could be conducted considering some other PRTQM practices which are identified in the literature but not considered in this study to examine those relationships with the employees' Job Satisfaction. In addition, it is important to extend the focus on other provinces in Sri Lanka and other industries to generalize the findings.

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Appendix I
People-related TQM practice used in recent studies

TQM practice	Authors
Top management	Saraph, Bensn, and Schreder (1989), Flynn (1994), Ahire, Golhar, and Waller
leadership	(1996), Lee and Rho (2003), Ooi and Arumugam (2005), Lewis, Pun, and Lalla
	(2006), Teh, Young, Arumugam, and Ooi (2009), Prajogo and Cooper (2010),
	Jha and Kumar (2012), Ebrahimi, Wei, and Rad (2014), Sadikglu and Olcay (2014)
Customer focus	Flynn (1994), Ahire, Golhar, and Waller (1996), Lee and Rho (2003), Ooi and Arumugam (2005), Lewis, Pun, and Lalla (2006), Teh, Young, Arumugam, and Ooi (2009), Ebrahimi, Wei, and Rad (2014), Sadikglu and Olcay (2014)
Empowerment	Ahire, Golhar, and Waller (1996), Prajogo and Cooper (2009), Jha and Kumar (2012)

Strategic planning	Lee and Rho (2003), Ooi and Arumugam (2005), Lewis, Pun, and Lalla (2006), Teh, Young, Arumugam, and Ooi (2009), Jha and Kumar (2012), Sadikglu and Olcay(2014)
Human resource management	Flynn (1994), Lee and Rho(2003), Lewis, Pun, and Lalla (2006), Teh, Young, Arumugam, and Ooi (2009), Ebrahimi, Wei, and Rad (2014)
Supplier management	Lee and Rho (2003), Flynn (1994), Ahire, Golhar, and Waller (1996), Jha and Kumar (2012), Ebrahimi, Wei, and Rad (2014), Sadikglu and Olcay (2014)
Process management	Flynn (1994), Lee and Rho (2003), Teh, Young, Arumugam, and Ooi (2009), Jha and Kumar (2012), Ebrahimi, Wei, and Rad (2014), Sadikglu and Olcay (2014)
Information analysis	Lee and Rho (2003), Teh, Young, Arumugam, and Ooi (2009), Ebrahimi, Wei, and Rad (2014)
Training	Ahire, Golhar, and Waller (1996), Ooi and Arumugam (2005), Lewis, Pun, and Lalla (2006), Prajogo and Cooper (2009), Jha and Kumar (2012), Sadikglu and Olcay (2014),
Employee involvement	Ahire, Golhar, and Waller (1996), Ooi and Arumugam (2005), Lewis, Pun, and Lalla (2006), Prajogo and Cooper(2009), Jha and Kumar (2012), Ebrahimi, Wei, and Rad (2014)
Teamwork	Ooi and Arumugam (2005), Lewis, Pun, and Lalla (2006), Prajogo and Cooper (2009), Jha and Kumar(2012)
Organisation culture	Ooi and Arumugam (2005), Lewis, Pun, and Lalla (2006), Jha and Kumar (2012)
Social responsibility	Lewis, Pun, and Lalla (2006)



CUSTOMER SATISFACTION OF SELECTED BRANCHES OF BANK OF CEYLON IN BATTICALOA DISTRICT

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ABSTRACT

Studies have also found that different studies have found different factors for customer satisfaction. But, these studies were carried out in different organisational settings such as service industries. This study is conducted in two selected bank branches of Bank of Ceylon in Batticaloa District. This study attempts to know about factors and factor rankings for customer satisfaction. Sample size considered in this study is 100 customers. These customers were contacted during the banking hours while they finish their banking activities without disturbing them and banking business. Results of the reliability revealed that items are higher reliable (0.700). Since value of Kaiser-Meyer-Olkin is 0.519 which reveals a satisfactory value. Bartlett's Test of Sphericity which is measured by approximate chi square. Value of significant approximate chi-square is 1637.840 with 231 degrees of freedom. Initial and extracted communalities for factors are 1 and greater than 0.6. Total eigenvalues that are greater than 1 is selected. There are 8 factor components that explain around 81% of variation towards customer satisfaction. It is concluded that, on the basis of the factor score, factors can be ranked. Keywords: Customer, Satisfaction.

1.INTRODUCTION

Customer satisfaction is one of the most studies areas in marketing. From the historical perspective, a great deal of the works in the customer satisfaction area began in the 1970's when consumerism was on the rise. Customer satisfaction is doing what the customer expects. In a sense being adequate service people do not talk about adequate service. People tell anyone who will listen about really bad service or really satisfactory service. Thomas & Sesser (1995) explained customer satisfaction is the individual's perception of the performance of the product or service in relation to customer expectations. As noted the concept of customer satisfaction is a function of customer expectations. A customer whose experience matches expectations will be dissatisfied. Whose experience match expectation will be satisfied and customer whose expectations are exceeds will be very

satisfied or delighted. Studies found that measuring customer satisfaction brings increased sales and profits. Studies found that unhappy customers may create great loss to a firm. Studies have also found that different studies have found different factors for customer satisfaction. Mayson & Hynes (1973); Vivash (1972); Michal 1972) found different factors for customer satisfaction. These studies used descriptive and correlation analyses for their analytical technique. In addition to these, these studies were carried out in different organsational settings such as service industries. Albeit, this study is conducted in two selected bank branches of Bank of Ceylon in Batticaloa District.

1.1 Research Question And Objective

This study asks "is it possible to rank the factors of customer satisfaction" as research question. This research question is translated into research objective. Thus, this study attempts to know about factors and factor rankings for customer satisfaction.

1.2 Significance of the Study

This study is important for various reasons. Studies found that customer satisfaction is important for organizational survival. The service firm has no reason to exist to exist. Studies found that customer satisfaction deals with pro-activity. Every service business needs proactively define and measure customer satisfaction. Studies found that customer satisfaction is used to gauge firm's progress. It has been stated that

firm's progress depends on customer satisfaction. Studies found that customer satisfaction determines customer behavior. Wandon (1971) forwarded customer satisfaction had been the chief common deciding factor for the customer's willingness to buy product. Studies have found that customer satisfaction plays significant role in marketing. Evan & Berman (2003) said that customer satisfaction is a crucial element is successful marketing. Customer satisfaction is the degree to which there is a match between a customer's expectations of a good or services and actual performance of that good or service including customer service. Studies found that customer satisfaction leads to customer orientation and profits. Antaneo & Teotaneo (2002) found that customer satisfaction leads to customer orientation and profits to organization.

2. REVIEW OF LITERATURE

Kotler (2003) defined satisfaction as a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to customer expectations. If the performance falls short of expectations, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted. Keith (1991) compared actual outcomes to those that are culturally acceptable. It is compared gains that are in equal and the loser is dissatisfied. There are number of studies with respect to customer satisfaction.

Ismail & Velnamy (2013) studied about performance and patient satisfaction in public health service organizations in Eastern Province of Sri Lanka. Study found that there is a high strength of patient satisfaction. Ismail & Velnampy (2013) association between performance of PHSO and patient satisfaction. Ismail & Velnampy (2013) found that core services, human element of the service and non-human of the service factors in the model explain 94% of total variation for found that core services, human element of the service and nonhuman of the service factors in the model explain 94% of total variation for patient satisfaction.

Evans & Berman (2003) found several determinants of customer satisfaction. They are friendly employees, helpful employees, courteous employees, knowledgeable employees, quick services, billing clarity, good value, service quality, competitive pricing, billing timelines and accuracy of billing. Stewart & Jacklyn (1995) studied about tracking consumer satisfaction in the United States on the basis of an analysis of ASCI results. It was found that business often make three common mistakes that lead to lower levels of customer satisfaction. They are (1) customer service as a cost rather than as an investment; (2) maintenance of customer satisfaction; (3) linkage of customer satisfaction to bottom line employees.

Dinuku & Ranjani (2003) analyzed the customer satisfaction in Srilankan retail banking. The findings indicate that service quality is more important in determining satisfaction than service features or price of the different service quality dimensions. Leve & Dougall (1996) attempted to identify the determinants of customer satisfaction in retail banking using a sample of 325 respondents in Canada. It was found that service quality, service features, customer complaint handling and situational factors are the possible determinants of the satisfaction.

Antaneo & Teotaneo (2002) studied about customization in marketing for electronic commerce and it's contribution from Holland. Information technology, the ability for the use of net work, commercial knowledge, the result of work in marketing and the marketing P's contribute to each market. Research findings in banks have indicated that customer satisfaction and customer's evaluation of service quality can be influenced by their perception towards a combination of factors such as product/ service, customer service, pricing/ rates, location/ convenience to access and communication, etc.

2.1 Factors of Customer Satisfaction

The review of literature identified the following factors for customer satisfaction. They are (1) friendly employees, (2) helpful employees, (3) courteous employees, (4) knowledgeable employees, (5) quick services, (6) billing clarity, (7) billing timelines, (8) accuracy of billing, (9) good value, (10) competitive pricing, (11) customer service, (12) maintenance of customer satisfaction, (13) service quality, (14) service features, (15) price/ rate, (16) customer complaint-handling, (17) situational factors, (18) the ability for the use of information network, (19) commercial knowledge, (20) product/ service, (21) location/ convenience to access, (22) communication.

3. METHODOLOGY

3.1 Sample Size

Sample size considered in this study is 100 customers. These customers were contacted during the banking hours while they finish their banking activities without disturbing them and banking business.

3.2 Methods Of Data Collection

For this study, primary source of data are used to collect data. Questionnaires are used as an instrument for collecting the data. Questionnaire had been designed into personal profile and factors for customer satisfaction. Data were collected during the 4^{th} quarter of 2015.

3.3 Techniques Of Data Analysis

This research used few statistical techniques such as reliability technique and factor analysis for getting results of the data collected.

4. RESULTS AND DISCUSSION OF FINDINGS

4.1 Reliability

Reliability for friendly employees, helpful employees, courteous employees, knowledgeable employees, quick services, billing clarity, billing time lines, accuracy of billing, good value, competitive pricing, customer service, maintenance of customer satisfaction, service quality, service features, price or rate, customer complaint handling, situational factors, the ability for the use of information network, commercial knowledge, product or service, location or convenience to access and communication is statistically calculated using Cronbach's Alpha. The value of Cronbach's Alpha is 0.700. Table 4.1 tabulates the reliability statistics.

Kaiser-Meyer-Olkin is a measure of sampling adequacy. Studies found that this value should be greater than 0.5. Value of

Table 4.1: Reliabil	ity Statistics
Cronbach's Alpha	N of Items
0.700	22

Kaiser-Meyer-Olkin is 0.519 which reveals a satisfactory value. This means that sample taken in this study is sufficient for making factor analysis. Bartlett's Test of Sphericity is another test that is conducted before running factor analysis. Bartlett's Test of Sphericity is a statistical analysis that is measured by approximate chi square. Value of significant approximate chi- square is 1637.840 with 231 degrees of freedom. Values of Kaiser-Meyer-Olkin and Bartlett's Test of Sphericity are revealed in Table 4.2.

Table 4.2: KMO and Bartlett's Test						
Kaiser-Meyer-Olkin Measure of .519						
Sampling Adequa	icy.					
Bartlett's Test Approx. Chi- 1637.840						
of Sphericity	Square					
	Df	231				
	Sig.	.000				

4.3 Communalities

Initial and extracted communalities for factors are 1 and greater than 0.6. These vales for extracted communalities are satisfactory. Communalities are tabulated in Table 4.3.

Table 4.3: Communalities	Table 4.3:	Communalities
--------------------------	------------	---------------

	Initial	Extraction
Friendly employees	1.000	.856
Helpful employees	1.000	.801
Courteous employees	1.000	.807
Knowledgeable	1.000	.862
employees		
Quick services	1.000	.685
Billing clarity	1.000	.780
Billing timelines	1.000	.929
Accuracy of billing	1.000	.857
Good value	1.000	.839
Competitive pricing	1.000	.804
Customer service	1.000	.810
Maintenance of	1.000	.733
customer satisfaction		
Service quality	1.000	.819
Service features	1.000	.639
Price or rate	1.000	.837

Customer complaint	1.000	.934
handling		
Situational factors	1.000	.690
The ability for the use	1.000	.731
of information		
network		
Commercial	1.000	.755
knowledge		
Product or service	1.000	.942
Location or	1.000	.880
convenience to access		
Communication	1.000	.894
Extraction Method: Print	ncipal Comp	onent
Analysis.		

4.4 Total Variance

Total Variance is explained by eigenvalues and total variance before and after rotation. Total eigenvalues that are greater than 1 is selected. There are 8 factor components that have been created out of 22 factors. These factors explain around 81% of variation towards customer satisfaction. Eigenvalues, total variance before and after rotation are tabulated in table 4.4.

4.4 Scree plot

Scree plot is a graphical representation of total variance. 81% of the total variance is graphically presented using factor components and eigenvalues. Figure 4.1 depicts the scree plot.

4.5 Factor score

Factor score is calculated on the basis of factor loadings and factor score coefficient. On the basis of the factor score, factors are ranked. Factor score and factor ranking are tabulated in Table 4.5.

5. CONCLUSION

Results of the reliability revealed that items are higher reliable (0.700). Since value of Kaiser-Meyer-Olkin is 0.519 which reveals a satisfactory value. Bartlett's Test of Sphericity which is measured by

4- 9 3- 2- 1-		a source of the second s				variatio	on towa:	rds cust	omer sat	tisfaction
o;	2 3 4 8 8	Componen	12 13 14 15 16 t Number	17 10 10 20 2	⊷ 1 22 Ex	plained				
	Figu	re 4.1: <u>S</u>			un	-	Rotation Loading	Sums of	Squared	
	Total	% of	Cumul	Total	% of	Cumu	Total	% of	Cumu	
		Varian	ative		Varian	lative		Varia	lative	
		ce	%		ce	%		nce	%	
	4.197	19.077	19.077	4.197	19.077	19.07	3.125	14.20	14.20	
	11 11120	5 124170107	1. 0.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1		1211111111111	7		6	6	
2	3.289	14.948	34.024	3.289	14.948	34.02	2.981	13.55	27.75	
	0.500	11.460	15 101	0.500	11.400	4		0	6	
3	2.523	11.469	45.494	2.523	11.469	45.49	2.412	10.96	38.72	
	0.007	10 100	55 (15	0.007	10.100	4	2 1 2 0	4	0	
1	2.227	10.122	55.615	2.227	10.122	55.61	2.139	9.724	48.44	
5	1.856	8.436	64.051	1.856	8.436	5 64.05	1.845	0 200	4 56.83	
,	1.630	0.430	04.031	1.630	0.430	1	1.045	8.388	2	
5	1.489	6.768	70.819	1.489	6.768	70.81	1.820	8.273	65.10	
,	1.407	0.700	/0.017	1.402	0.700	9	1.020	0.275	5	
7	1.297	5.894	76.713	1.297	5.894	76.71	1.818	8.264	73.36	
						3			9	
3	1.009	4.586	81.300	1.009	4.586	81.30	1.745	7.930	81.30	
	.799	3.631	84.931							
0	.745	3.388	88.319							
1	.556	2.526	90.845							
2	.448	2.037	92.881							
3	.366	1.666	94.547							
4	.271	1.230	95.777							
5	.258	1.174	96.951							
6	.217	.987	97.938							
7	.177	.806	98.744							
8	.086	.390	99.135							
9	.072	.328	99.463							
0	.048	.218	99.681							
1	.040	.181	99.862							
2	.030	.138	100.00 0							

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approximate chi square. Value of significant

approximate chi- square is 1637.840 with

231 degrees of freedom. Initial and extracted

communalities for factors are 1 and greater

than 0.6. Total eigenvalues that are greater

than 1 is selected. There are 8 factor

	Factor	Factor	Individual	Factor	Rank
	loadings	score	factor	score	
		coefficient	score		
Billing timelines	0.925	0.321	0.296925		
Customer complaint handling	0.937	0.328	0.307336		
Product or service	0.952	0.352	0.335104	0.939365	3
Courteous employees	0.602	0.175	0.10535		
Good value	0.877	0.31	0.27187		
The ability for the use of information network	0.835	0.294	0.24549		
Communication	0.927	0.331	0.306837	0.929547	5
Billing clarity	0.865	0.396	0.34254		
Price or rate	0.887	0.384	0.340608		
Commercial knowledge	0.826	0.357	0.294882	0.97803	1
Accuracy of billing	0.876	0.446	0.390696		
Situational factors	0.649	0.347	0.225203		
Location or convenience to access	0.866	0.412	0.356792	0.972691	2
Knowledge of employees	0.914	0.533	0.487162		
Service quality	0.889	0.508	0.451612	0.938774	4
Helpful employees	0.852	0.501	0.426852		
Customer service	0.854	0.513	0.438102	0.864954	7
Quick service	0.784	0.461	0.361424		
Maintenance of customer satisfaction	-0.601	-0.310	0.18631		
Service features	0.766	0.439	0.336274	0.884008	6
Friendly employees	0.873	0.594	0.518562		
Competitive pricing	0.706	0.413	0.291578	0.81014	8

Table 4.5: Factor score and factor rank

the basis of the factor score, factors are ranked. Billing clarity, price or rate and commercial knowledge composes the factor score of 0.97803 that is ranked into 1. Accuracy of billing, situational factors and Journal of Business Studies location or convenience to access represent the factor score of 0.972691 as ranked into 2. Billing time lines, customer complaint handling and product or service have the factor score of 0.939365 as ranked into 3.

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Knowledge of employees and service quality that has a factor score of 0.938774which has been ranked into 4. Courteous employees, good value, the ability for the use of information network and communication have the factor score of 0.929547 which is ranked into 5. Quick service, maintenance of customer satisfaction and service features have the factor score of 0.884008 as placed in 6th rank. Helpful employees and customer service have a factor score of 0.864954 that is scored into 7. Friendly employees and competitive pricing have the factor score of 0.81014 that is ranked as 8th place.

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INCOME DIVERSIFICATION OF ESTATE SECTOR IN SRI LANKA

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ABSTRACT

This study aims to identifying determinants of income diversification at household level in Sri Lankan estate sector. Analysis builds on data of Household Income and Expenditure Survey 2009/2010 conducted by Department of Census and Statistics of Sri Lanka. The data set covered 1736 households in Sri Lankan estate sector. Herfindhal Index was applied to calculate income diversification at household level and Censored Tobit model was used to identify the determinants of income diversification. The econometric analysis shows that gender and age of the household head, household size, ownership of agricultural land, number of workers above 15 years old and availability of migrants in a household have significantly contributed to the performance of income diversification. Further study indicates that migrants of estate household play a critical role in non estate income. All in all, the study clearly depicts that income diversification has become one of the important strategies of income improvement in estate households.

Keywords: Income, Diversification, Households

1. INTRODUCTION

Diversification is referred to a process by which the presence of multiple income sources is created in households (Nghiem, 2010). Most of households are willing to increase their household income to raise their wealth. Hence, they easily adopt income diversification activities. On-farm diversification and Non-farm diversification are the key elements in farm household diversification. Farming as a livelihood activity is associated with high amount of risk. Farm income fluctuates with various factors such as climatic change, pest and disease problems, price variations, policy changes etc. Therefore, households are pushed into income diversification. Most of the researches point out that participation in income diversification activities and level of income derived are influenced by human capital related variables such as gender, age of household head, number of economically active family members, education level, household size etc.(Bartolini*et al.*, 2014, Wanyama *et al.*, 2010Agyeman *et al.*, 2014, Demissie and Legesse, 2013) and also they describe income diversification as commercialization process and value addition process.

2. THE ESTATE INCOME DIVERSIFICATION SETTING

When we move to the Sri Lankan estate sector, the estate sector in Sri Lanka has a history expanding almost 150 years, as Sri Lanka became a British colony in 1815. Tea, Rubber, Coconut (plantation agriculture) were introduced during this British colonial period. After introducing plantation agriculture, Sri Lanka was categorized into three main economic sectors. Those are Urban, rural and Estate sectors. The estate sector was developed as self - sufficient community structure with little contribution into national socio economy. Labour force of plantation sector was imported from south India (Gunetillekeetal., 2008). After independence considerable changes occurred in the estate sector. The position of plantation crops in the national economy has fallen because ownership has moved from foreign to national. Moreover, socio economic status of estate sector is considerably lower than those in other two sectors. Poverty is a big problem in estate sector. Low levels of education, poor decision making skills, and poor infrastructure are the reasons for lower socio economic status of estate sector (Semasinghe, 2014). As a result of these factors, household members became interested in income diversification strategies to improve their livelihood portfolio (World Bank 2007). Estate households started to earn their income from employment, agricultural activities, non-Journal of Business Studies

agricultural activities and a little contribution of remittance, transfers and other income generating activities such as pensions, rents, income in kind. However, less market access, poor infrastructure, low levels of education are the major barriers for income diversification in estate sector. At present, there is a trend in young generation of estate sector to seek alternative income sources outside the estate to solve immediate household needs; food, shelter, healthcare, fulfillment of children's needs.

More than 40% of estate households earn their income from wage employment inside the estates (Atukorala et al., 2010). Uncertain factors such as weather and market conditions directly affect the income in estate households because these uncertain factors results in variable returns in estate households. Income variability is a problem that households face. This is the main reason for high poverty in this sector. Estate households have a significant challenge to reduce poverty. The most popular as well as the most successful method of coping as well as moving out of poverty is by diversifying income in the household livelihood portfolio. Therefore, as result of diversification strategies, their lifestyles started change. As a result, income diversification has impacted on estate sector as well as on household members. And also income diversification gives opportunity to avoid the income variability of the estate households. Therefore, it is important if the factors that determine the income diversification could be identified. A study

of this nature would provide us to think of what policy instrument would be implemented to promote diversification strategies. It is fact that interest of youth to engage in estate work is losing. They tend not to work in the estates. If they stay in the estate they are supposed to work in estate. Therefore, they contribute to the total household income. If they do not work in the estates, their contribution to total household income might be lost. However, if they are employed in elsewhere or engaged in nonestate activities, non-farm activities or other agricultural activities, they would contribute to the household development. If that is so, what factors of the household members affect the decision to engage in some other income generating activities other than estate income would be worthwhile to study. On the other hand, the estate worker population is aging. Therefore, their contribution to estate would be reducing. As a result of these, they may earn poor income from estates and the lost income to the households will have to be compensated. Therefore, income diversification provides a better solution to the households in this regard.

3. INCOME DIVERSIFI-CATION AND ITS DETERMINANTS; A REVIEW OF LITERATURE

Income diversification is defined as a process in which rural households increase their employment and income from the non-

farm sector(Barrett and Reardon, 2000). Income Diversification is a process in which multiple income sources are created by rural households (Minotet al., 2006). Therefore, income diversification is an ideal solution to improve household income. Researchers have identified a variety of factors that may explain income diversification (Barrett and Reardon, 2000, Ibekwe et al., 2010, Escobal, 2001). The theoretical discussions of those researches point out two categories drives of income diversification. Those are push factors and pull factors. The "Push factors" terminology refers external factors which causes the fluctuation of farm income such as weather conditions, policy changes etc. The "Pull factors" refers growth opportunities in term of household income (Barrett et al., 2001). Household income diversification strategy is affected by push factors rather than pull factors. Moreover, pull factors play complementary roles for push factors in facilitating income diversification (Barrett et al., 2001, Khai and Danh, 2015). Main advantages of income diversification are risk reduction, reducing poverty, meeting consumption needs and increasing human welfare etc. (Agyeman et al., 2014, Amanze et al., 2015, Bartolini et al., 2014). On farm diversification and Nonfarm diversification are the common diversification strategies in the world. Recent studies indicate the rural households in Africa increasingly diversify their income sources by combining farm and non farm activities to sustain their livelihood (Barettet al., 2001, Sarah, 2012).

Participation of non- farm activities are influenced by individual or household specific factors as well as social, economic and environment factors. These factors play a critical role in household wealth, private and public assets endowment etc. (Escobal, 2001). Households are pulled into the nonfarm activities because non -farm employment are higher and less risky than in agriculture activities (Ibekwe et al., 2010). On the other hand, when farming is less profitable and a market failure, many households are pushed into non farm activities.

The age of the household head is a main determinant of income diversification as decision making process of household level depends on age of the household head. He/ she has more bargaining power over the decision making process. There are various ideas regarding the relationship between age of the household head and income diversification. According to Agyeman et al., (2014), when age of head of farm household increases, they less diversify their income because of lack of physical strength and financial resources to add on to their farm or non-farm activities since majority of these activities are labour intensive. Gender of the household head is a significant factor for income diversification. (Bartolini et al., 2014). It is a positive determinant of participating non- farm activities. Most of the previous literature points out male head households are able to participate in non farm activities compared to female head households. Education is a one of the most Journal of Business Studies

important determinant of income diversification. Many recent studies indicate that the number of years of education of household head is positively influenced on income diversification. Thus having some educational levels attainment facilitates entry into high paying jobs (Agyeman et al., 2014, Demissie and Legesse 2013). So is the case with education level of other household members as well.

4. DATA

Data was mainly gathered from Household Income and Expenditure Survey (HIES) of 2009/2010 conducted by the Department of Census and Statistics under the national household survey program of Sri Lanka. HIES covered around 20000 housing units throughout the country. The data include 54307 rural household members, 23346 urban household members and 7790 estate household members. This study employs only the data that belong to 7790 estate household members of 1736 households. Estate households earn their income from wage and salaries, agriculture activities with seasonal crops, agriculture activities with non- seasonal crops, non- agriculture activities, Other regular cash receipts include Pensions, Dividends, Rents etc., Irregular gain or windfall income and Income in kind. For studying purpose data was classified into five major income sources. Those were employment income, agriculture income, non-agriculture income, transfers and remittance and other income source.

5. ANALYTICAL FRAME WORK

5.1. Herfindhal Diversification Index

Herfindhal Diversification Index is used to calculate the income diversification in household level. The HDI is based on the Herfindhal index (HI)



pis proportion of each income source on total household income. HDI cannot be below zero or above one.

5.2Tobit Regression Analysis

A Tobit regression model is used to analyze the determinants of income diversification.

$$S^* = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n + u$$
$$S = \begin{cases} 0 \ if \ S^* \le 0\\ 1 \ if \ S^* \ge 1 \end{cases}$$

 $X_{1, } X_{2..., } X_n$ denote independent variables S^* is a latent variable indicating desired Herfindahl index while S is the observed Herifindahl Index.

Above u is an error term which is assumed to follow a standard normal distribution. In this study, some estate households have zero income shares due to absence in participation any income generating source. Corresponding to this situation gives a zero value for the dependent variable (censored). Therefore, Censored Tobit regression was used as estimation method for this study.

Table 1:Model Specification of Deter	Table 1: Model Specification of Determinants					
Variable	Measurement					
Dependent Variable Household's Income Diversification	Herfindahl Index					
Independent Variables	*****					
Gender of Household Head (1=males, 0=females)	Dummy					
Age of Household Head	Years					
Education level of Household head	Average Schooling Years					
Housing Structure (1= line rooms, 0= Otherwise)	Dummy					
Household Size	Number					
Ownership of Agricultural land (1= yes, 0=No)	Dummy					
Number of dependents	Number					
Availability of Migrant members (1=yes, 0=No) Journal of Business Studies 31	Dummy Issue II - 2016					

Number of Workers above 15 years	Number
Number of Members over age 15 with above A/L or with A/L education	Number
Number of Members over age 15 with O/L education	Number
Number of Members over age 15 with 6-10 years education	Number
Number of members over age 15 with 0-5 years education	Number
	a a aaa

Source: Household Income and Expenditure Survey 2009/10

6. RESULT AND DISCUSSION

6.1 Summary Statistics

According to the results of table 2, most of household heads are 49 years old but minimum age is 18 years and maximum age is 92 years. When we consider about the average household size of the sample, it is 4 members per household. Maximum household size is 14 members and minimum household size is 1 member. A Number of dependents in a household are distributed from 0 to 11 range. Education Level of household members (above 15 years old) is categorized into three categories. Those are Primary education, Secondary education, Ordinary Level education and Advanced level or above advance level qualification .A number of A/L or above A/L qualified member, Primary educated members and Secondary educated members in a household distributed from 0 to 6. A number of grade 6 to 10 years educated members are in a household distributed from 0 to 4.

Variable	Obs	Mean	Std. Dev.	Min	Max
Gender of Household Head	1736	0.759	0.427	0	1
Age of Household Head	1736	49.50	13.49	18	92
Education level of Household	1736	4.763	3.577	0	17
head					
Housing Structure	1736	0.615	0.487	0	1
Household Size	1736	4.099	1.791	1	14
Ownership of Agricultural land	1736	0.348	0.476	0	1
Number of dependents	1736	1.906	1.848	0	11
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Table 2: Summary Statistics of Independent Variables
Availability of Migrant members	1736	1.745	0.959	0	6
Number of Workers above 15	1736	0.267	0.442	0	1
years					
Number of Members over age 15	1736	0.161	0.523	0	6
with above A/L or with A/L					
education					
Number of Members over age 15	1736	0.09	0.289	0	4
with O/L education					
Number of Members over age 15	1736	0.62	0.484	0	6
with 6-10 years education					
Number of members over age 15	1736	0.803	0.397	0	6
with 0-5 years education					

Source: Household Income and Expenditure Survey 2009/10

6.2 Determinants of Income Diversification; Results of Tobit regression

The results of regression analysis conducted to estimate the determinants of income diversification are presented in table 3. Data set was covered around 1736 households. It also shows the statistical significance of the coefficient at 1%, 5% and 10% levels. The results indicate that independent variables such as Gender of household head, Age of household head, Household size, Dependents of households, Present of migrant members, Availability of agricultural land and Number of workers (above 15 years old) are the factors which were significant in determining the level of income diversification among the estate sector household sample in Sri Lanka.

Variables	Coefficient	P value
Gender of Household Head	-0.0837	0.002***
Age of Household Head	0.0029	0.002***
Education Level of Household Head	0.0003	0.449
Ownership of Agricultural Land	0.1369	0.000***
Household Size	0.2571	0.004***
Housing Structure	0.0222	0.372
Number of Dependents	-0.0843	0.000***
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Table 3:Tobit Parameter Estimates of Determinants ofEstate Household Income Diversification

Number of Workers above 15 years old	-0.0304	0.038**		
Availability of Migrants members	0.1827	0.000***		
Number of Members over age 15 with A/L or Above	0.0196	0.444		
A/L education				
Number of Members over age 15 with O/L education	0.0343	0.265		
Number of Members over age 15 with 6-10	0.0146	0.333		
Number of Members over age 15 with 0-5 years	-0.0021	0.905		
education				
Number of Obs. = 1736	LR Chi ² (13)	= 178.42		
$\underline{\text{Prob}} > \text{Chi}^2 \qquad = 0.0000$	Psudo R ²	= 0.0872		
Log likelihood = -933.40804				
994 - Left Censored Observations at herfindhal< =0				
743 - Uncensored Observations				
0 - Right Censored Observations				
P*<0.1 P**<0.05 P***<0.01 (Significant Levels)				
Common Harren 1 11 Language and Transport Street 2000/10				

Source: Household Income and Expenditure Survey 2009/10

Gender of the household head is statistically significant at 1% significance level, but negatively associated with the likelihood of income diversification. These results interpret that female household heads are engaged in income diversification activities more than the male household heads. This finding implies a clear indication that females also have more decision making power over the income diversification and they tend not only to take care of the household work and being mostly involved in estate activities, but also they influence the diversification activities.Malek and Usami, (2009) point out that gender is an important for receipt of international remittancesand they further mention that most of female household heads diversify their income by using international remittances. Some economic researches states gender gap in education has decreased in most of developing countries, female heads generally have a lower level of education than male ones. They might also lack the connections needed to get access to highly paid employment outside the farm. Sometimes social norms regarding female labour force participation hinder women from entering labour market. In this situation they diversify their income from on farm activities (Vimfall, 2015). On the contrary, Dimissie and Legess (2013) mentioned male household heads diversify their income more than female household heads. Hence, they point out males have ability to pursue more lucrative income generating activities. Age of the household head is also significant. This implies that the likelihood of income diversification is high among older household heads, relative to young ones. Age of the household head is a good measurement for their experience. So they

have experience of risks associated with estate wage employment. In this situation old household heads easily diversify their income than young household heads.

Household head's education level is insignificant but it has positive association with the likelihood of income diversification. Household heads with low level of education earn their income only from estate work while household heads with higher education level are more likely to diversify their income because their educational level facilitate entry into high payment jobs in government and private sector. These findings are similar to Ibekwe et al., (2010) and Agyeman et al., (2014). Household size is significant in 1%significance level. This is not surprising because every additional member living in a household contribute to increase the need of total household income, because their total consumption increases. Many studies have shown that rural households diversify their income by on farm activities due to the large household size (Barrett et al., 2001).

Housing structure is important parameter for income diversification as housing structure links with socio economic status of households. According to above finding (Table 3), housing structure is insignificant but it is positively associated with income diversification. Above results indicates people who are in line rooms diversify income more than those in other housing units (for example, single houses etc.). Most

of line rooms have poor infrastructure such as lack of water, lack of drainage facilities, lack of toilet facilities etc. Poverty is a major problem in of estate workers living line rooms. People who are in line rooms are also interested in moving out of poverty. In this situation, they tend to diversify their income. Number of dependents in a household is highly significant at 1% significance level. Furthermore, number of dependents is negatively associated with income diversification i.e. if number of dependents is low in a household, it could be assumed that most of the household members are active members in the household. As a result, those members can join with various income generating activities.

Numbers of workers are significant at 5% significance level. There is a negative relationship between number of workers (above 15 years) and income diversification. This is a surprising result but we can justify this negative relationship because majority of workers are estate workers. Therefore, when number of estate worker decreases, there is a high tendency to diversify the income. It implies that fewer number of workers are engaged in estate work, more will be to move on to non - agricultural activities. Availability of agricultural land is also totally significant with positive association. Availability of agricultural land is good opportunity for on farm diversification. Because ownership of agricultural land, motivate households to diversify their income by growing vegetables, cash crops and move on to

livestock management. Bartolini et al.,(2014) point out in their study that land and production system have a significant effect on adoption of diversification. Large landholders may allow households to pursue farm activities through earnings non generated from the farm or by selling of land (Nghiem, 2010).Presence of migrant members in a household is highly significantly and positively associated with income diversification. Migrants in a household are important to gain remittances and transfers. Those members move out of estates and generate income from various activities. Some of them move out of the country for generating income (Overseas employment). Although migration and remittances positively affect to increase household income and wealth of estate households, migration of estate labour out of estates may have a negative impact on the estate production process as most of the activities undertaken in tea and rubber estates are highly labour intensive.

Number of Members with advanced level (A/L) and above A/L education is insignificant but positively associated with income diversification. Literature also supports the fact that higher levels of education among household members have a positive effect on income diversification (Barrett and Reardon, 2001, Sarah, 2012). Number of households with ordinary level (O/L) education and 6 10 years education also is not significant, but have a positive association with income diversification. It means increasing of education level causes Journal of Business Studies

households to diversify their income towards non- farm activities(Ibekweet al., 2010 and Agyeman et al., 2014). Primary education is also insignificant and income diversification is negatively associated with primary education. This is due to the fact that less educated persons have a barrier to enter to highly qualified jobs.

7. CONCLUSIONS

Estate sector is a unique feature in the Sri Lankan economy and it contributes to earn foreign exchanges as one of the major exports in Sri Lanka. However, most of the estate people are poor and the sector is considered to be the poorest sector in Sri Lanka. Therefore, people in this sector tend to diversify income portfolio to get rid of their poverty. They diversify into different income generating activities such as growing vegetable crops and other cash crops, rearing livestock and working outside the estates. However, the working outside estates does not necessarily mean that it leads to higher earning. Internal and international migration has also become a significant strategy to diversify their income. Most of the young people who have moved away from estates in search of better opportunities work in capital city orin other cities and they do some ad hoc type jobs and work in garment factories (World Bank 2007). As it has become a norm among the estate workers that they tend towards income diversification activities, this paper attempted to explore the determinants of income diversification among estate

households in Sri Lanka. Our results suggest that ownership of agriculture lands, presence of migrants in a household, number of dependents, gender and age of household head, household size and number of employed people in the households are the most important factors for income diversification. It also should be emphasized that income diversification is one of the best opportunities to move out of poverty and the impact of income diversification on estate poverty should be explored.

8. RECOMMENDATIONS

Based on above findings, it could be recommended that the land owners should be encouraged to practice on farm diversification strategies such as livestock management; growing vegetables etc. as it is a better pathway to ensure reduction of risk associated with estate employment and low wages. As young household heads have less ability to diversify income than old ones, awareness programs are essential for young household heads in order to stress the importance of diversification. It is also recommended that diversification strategies should be encouraged among estate households to uplift their living standards. Although the education level is not a significant factor in favor of diversification, the education facilities and access to other infrastructure facilities should be improved in order to harvest the fruit of income diversification. If human capital is improved through improving education facilities, the estate people would find better paying jobs

outside the estates. Therefore, it may lead to reduce their poverty status as well. However, there must be a strategy to manage the estate when young people become educated and out-migrate in search of better opportunities as the estate management practices are highly labour intensive. The findings also suggest that female household heads tend more towards income diversification. This is an indication and their bargaining power within the household has increased and therefore, women should be empowered more towards diversification strategies and more studies towards this aspect are highly essential in the future. On the other hand studies related to impact of income diversification on poverty of estate sector is of great importance to see the real impact of income diversification. However, it should also be emphasized here that estate sector production process should be improved with a balanced management strategy of income diversification and estate sector production if the policy is to promote income diversification.

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INSTITUTIONAL FORCES AND LIFE CYCLE STAGES OF WOMEN-LED SMES IN DEVELOPING ECONOMIES

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ABSTRACT

Despite women's enormous involvement in economic activities through Small and Mediumscale Enterprises (SMEs), their progress has been relativelyslow and the macro environmental influences impeding women-led SMEs have been numerous. These impediments vary at different life cycle stages of the women-led business. As informed by life cycle stage theories of organizations, the formation, establishment, continuation and growth stage of businesses each have their own characteristics and needs, and thus entail specific resource requirements to be fulfilled for proceed to the next stage and/or for ensuring survival. This knowledge builds reasonable certainty that the issues undergone by womenled SMEs may vary and be distinctive at diverse life cycle stages of their businesses. The institutional environment of a country can impose restrictions or facilitate growth of entrepreneurship and small businesses. Even though evidence on issues related to formation, establishment, continuity and growth of women-led SMEs are not rare in the existing literature, the impact of the institutional environment at various business life cycle stages have not been well investigated. Thus, the aim of this study is to examine the institutional forces that affect the businesses at diverse life cycle stages of women-led SMEs in developing economies. Drawing from the institutional theory, the present study examines the institutional environmental forces influencing women-led SMEs at different stages of the business life cycles. It develops several propositions, building relationships among three institutional forces and different life cycles stages passed by women-led SMEs. It examines the effects of regulatory, normative and cognitive dimensions of the institutional environment at developing economy contexts. Based on the previous research findings, it encapsulates how apex level environmental conditions of under-developed institutional environments affect the life course of grass-root level women-led SMEs. Concurrently, the findings shed light on which dimension(s) of the institutional environment are most significant at a distinctive stage of women-led SME.

Key Words: Institutional environment, Life cycle stages, SMEs, Women-led, Developing economies

1.INTRODUCTION

Women's involvement in economic activities through Small and Medium-scale Enterprises (SMEs) has been enormous, especially in developing economies, despite their invisibility in reports either in numbers or in values. Empowerment of women through economic means has enabled developing nations to secure nutritional as well as educational needs of younger generations to a certain extent, and reduced poverty levels and gender inequalities in these societies (Shyamalie & Saini, 2011). However, extant literature finds that women-led (or women-owned) SMEs are not operating up to their full potential, due to certain overwhelming issues encountered during their life course. Thus, slow-growth or stagnation, never growing or even premature death is visible in women-led SMEs all over the globe. Despite the availability of evidence that life cycle stages of women-led SMEs need considerable research attention. current literature still lacks records of sufficient investigation into this empiricism. As evidenced, the external environmental conditions of a business considerably affects the life course of a firm through birth and growth to death (Hannan& Freeman, 1977). In a macro perspective, the institutional environmental forces, such as regulatory forces, knowledge base, and changing cultural and normative dimensions of the society (DiMaggio & Powell, 1983) play a pivotal role in impeding or expediting the success of a business. The institutional perspective has been helpful in studying numerous effects on SMEs (e.g., Liu, Yang, & Zang, 2012; Manolova, Eunni, & Gyoshev, 2008; Roxas&Coetzer, 2012; Zhu, Wittmann, & Peng, 2012). Institutional environmental forces enacting on small and medium-scale enterprises (SMEs) and entrepreneurship in under-developed economies (Welter & Smallbone, 2011) have been significant. They influence the start-up, growth and decline of a business. As informed by life cycle stage theories of organizations, the formation, establishment, and growth stage of businesses each has its own characteristics and needs, and thus entail specific resource requirements to be fulfilledbefore proceeding to the next stage and/or for ensuring survival (e.g., Chandler, 1962; Quinn & Cameron, 1983). This knowledge builds reasonable certainty that the issues undergone by women-led SMEs may vary and be distinctive at diverse life cycle stages of their businesses.

Wehere by identify a considerable void in the existing knowledge, which does not adequately explain the possible adverse effects those emanate from institutional environment at different stages of womenled SMEs. Accordingly, the aim of this study is to examine the institutional forces that affect the businesses at diverse life cycle stages of women-led SMEs in developing economies. Thus, drawing from the institutional theory, this study investigates the possible regulatory, normative, and cognitive forces those affecting the formation, establishment and growth stages of women-led SMEs.

This study extends our understanding of institutional environmental level barriers vis-à-vis diverse life cycle stages of womenled SMEs. Specifically, it examines the effects of regulatory, normative and cognitive dimensions in the institutional environment at developing economy contexts. Based on the previous research findings on SMEs and entrepreneurship in general, and women-led SMEs in particular, current study encapsulates how apex level environmental conditions of underdeveloped institutional environments affect the life course of grass-root level women-led SMEs. Concurrently, the findings shed light on which dimension(s) of the institutional environment are most significant at a distinctive stage of women-led SMEs.

The structure of the paper is as follows. First, it presents an overview of institutional environment, with the focus oninstitutional environment in the context of business enterprises, and institutional environmental dimensions as used in this study. Then it reviews the characteristics of life cycle stages of SMEs as evidenced in theory and literature. Then, it discusses, in light of existing knowledge, the effects of institutional environment on life cycle stages of women-led SMEs at their formation, establishment and growth stages. In this attempt, it develops four propositions, which presents as an outcome of the study. Finally, it concludes by highlighting the implications drawn in the study and presenting directions for empirical research.

2. REVIEW OF LITERATURE

2.1 The Institutional Environment in the Context of Business Enterprises

Adopting a macro level viewpoint towards society, the institutional perspective (DiMaggio & Powell, 1983; Scott, 1995; Zucker, 1983) has created theoretical grounds to examine the causes that impede or expedite the operations, growth, and success of SMEs. As explained by Manolova, Eunni, and Gyoshev (2008), the institutional environment defines, creates, and limits entrepreneurial opportunities, thus creating or destroying entrepreneurship in a country (p. 205). Moreover, institutional environmental effects on business are strong in developing economies due to their persisting under-developed nature. Seemingly, the informal, small and medium business sectors are subject to seen or unseen influences of institutional environment. Accordingly, the institutional perspective has been helpful in studying numerous effects on SMEs, including family business, firm performance, innovation in SMEs etc. (e.g., Liu, Yang, & Zang, 2012; Manolova, et al., 2008; Roxas&Coetzer, 2012; Zhu, Wittmann, & Peng, 2012). Previous studies witness its use in research into entrepreneurship (Manolova, et al., 2008; Gupta, Yayla, Sikdar, & Cha, 2012; Roxas&Coetzer, 2012; Tang & Tang, 2012), entrepreneurial behavior (Welter &Smallbone, 2011), and small firms (Urban, 2013). As evidenced by the above sources of literature, most of the previous attempts at using institutional framework to understand

SME and entrepreneurial activities have ignored the women-led SMEs, and its impact on life cycle stages, especially in developing economies.

2.2 Dimensions of Institutional Environment

The three dimensions: regulatory, cognitive, and normative (Scott, 1995) have been used to explain the influence of institutional environment on business enterprises. The regulatory dimension represents the formal, structured, codified, and explicitly held guides for business decisions and actions, which are enforced through enactment of regulations, laws, Acts etc. The cognitive dimension exhibits the knowledge base accumulated through common practices and held explicitly or implicitly in the business community. The normative dimension composites informal, implicitly held or internalized system of values, norms, beliefs, traditions etc. belonging to a particular society (Arasti, Pasvishe, &Motavaseli, 2012; Busenitz, Gomez, & Spencer, 2000; Roxas&Coetzer, 2012; Welter & Smallbone, 2011). Thus, business enterprises, irrespective of their scale, operate in a fusion of regulatory, cognitive, and normative environments. Figure 2.1 below depicts the conceptualization made to achieve the objectives in the present study.



Figure 2.1: The Impact of Institutional Environment on Women-led SMEs

Source: Developed by the researcher

2.3 Characteristics of life cycle stages of SMEs as evidenced in theory and literature

Formation (Idea Generation)

Previous research has accorded attention on the business start-up or venture creation process of SMEs, and their different stages. According to Schapero and Sokol (1982), life path changes of people may lead to perceptions of desirability of starting a business, and then it can lead to perceptions of feasibility, which ultimately enables an entering into firm formation. At the initial stage, a significant influence on forming a business draws from the stock of possibilities, which are later, transited into conceptions (Reynolds, Carter, Gartner, & Greene, 2004). Accordingly, nascent entrepreneurs (who seriously intent to start a business and whose efforts may or may not culminate in the birth of a new firm) (Katre & Salipante, 2012; Reynolds, 2009) or potential entrepreneurs (who really become entrepreneurs after all) (Arenius & Ehrstedt, 2008, p.134) may be born in such a process.

Previous studies on entrepreneurial venture creation and small business formation have discussed the initial stage of this process with the use of different conceptions. For instance; opportunity discovery (Shane, 2000), entrepreneurial event formation (Schapero & Sokol, 1982), venture ideas during the start-up (Davidsson, Hunter, & Klofsten, 2006), process of new venture creation (Davidsson&Gordan, 2012), nascent and new firms creation (Zinger, Lebrasseur, Robichaud, &Riverin, 2007) focus on the initial stage of SMEstart-up, which the present study identifies as 'idea generation' or 'formation' stage of an SME.

Establishment (Creation)

The establishment stage of an SME demands confirmation of the decision of venture creation by making it a reality and ensuring survival after creation. Thus, it calls for business registration and allied functions, after which a firm comes to existence. The entrepreneurial process, followed by the gestation process, lead to a transition into firm birth (Reynolds, Carter, Gartner, & Greene, 2004). The firms that evolve in such a manner may be established and may continue to survive under diverse conditions, which inevitably affect their smooth functioning. As evidenced through the existing literature, the entrepreneurial start-up process (Arenius & Ehrstedt, 2008), new venture financing (Alsos, Isaksen & Ljunggren, 2006), and new firm formation (Davidsson, Lindmark & Olofsson, 1995) imply the 'establishment stage' of SMEs.

Growth, Stagnation or Decline (Continuation or Withdrawal)

Growth stage of the SMEs has been the topic of investigation for several studies. Growth of the small firm (Davidsson, 1991; Penrose, 1959), growth willingness (Davidsson, 1989), high-growth firm (Delmer, Davidsson & Gartner, 2003), role of <u>knowledge acquisition on entrepreneurial</u> Journal of Business Studies 44

growth (Naldi & Davidsson, 2014), and small firm performance (Begley & Boyd, 1987) are some of the research areas explored.

Growth aspects of women-led small businesses are not rare in the existing body of knowledge. Some recent investigations can be found in Costin (2012), Dalborg, von Friedrichs and Wincent (2012), Mitchelmore and Rowley (2013a), Mitchelmore& Rowley (2013b), and Mitchelmore, and Rowley and Shiu (2014). However, all SMEs that establish their operations at the second stage are not move smoothly to the growth stage, but instead may encounter difficulties and thus continue in the same status without any further growth. Alternatively, some SMEs may even decline and reache close-up (death) even after passing the establishment stage of their life cycles. Figure 2.2 below precisely presents the life cycle stages of SMEs.





Life cycle stages of women-led SMEs: Any difference?

With the acknowledgment of the dearth of theorization and literature on investigation Issue II - 2016

of life cycle stages of women-led SMEs, the present study identifies a similar absence of conceptualizations of any differences between the life cycle stages of men-led and women-led SMEs. Among the extant literature that focus on barriers, challenges, and issues encountered by women in business, it has been difficult to find a complexmodel of their life cycle stages. Accordingly, wepoint out that the simple three-stage model set forth above would sufficiently cover the life span of a womenled SME.

2.4 The case of developing economies

Developing economies undergo undeveloped institutional environments (Welter & Smallbone, 2011) which do not support or sometimes even hinder the enterprise development. They believe in bureaucratic organizations and systems (Daft, 2013) for better performance. Seemingly, bureaucratic organizations maintaining rigid rules and regulations, financial regulations with restricted investments, and the burden of taxes irrespective of the scale of business are common in less-developed and developing nations. In addition to these, unequal distribution of resources and opportunities in the society, and the lack of mechanisms established for protecting disadvantaged (or minority) groups entering into business are commonly visible in such nations, especially when compared to the relative lack of these impediments in developed nations.

World Bank (2011) implies that formal and informal institutions themselves in developing countries help to maintain gender gaps in development. The World Bank accentuates the need of influence and evolution of formal institutions (such as regulatory frameworks, laws, and service delivery mechanisms of the state) in order to bridge this gap. It further mentions the need for shaping informal institutions to serve this purpose.

Barriers on women's access to institutionalized knowledge and practices, together with norm-based occupational segregation(Kyrö, 2009) in the business environments in developing economy contexts, have created 'glass fences' which restrict women's stepping into certain mendominating or men-successful business segments. Thus, the developing economy context suggests a more vulnerable institutional environment for women-led SMEs.

3. EFFECTOF INSTITUTIONAL ENVIRONMENT ON LIFECYCLE STAGES OF WOMEN-LED SMEs

3.1Institutional environment: How it affects lifecycle stages of women-led SMEsin developing economies

The above review demonstrates that lifecycle of SMEs passes through several stages which demand diverse types of competencies and resources from individual and institutional environments.

Formation stage of women-led SMEs

Even though the initial entrepreneurial decision is an individual one, the individual desire or attitude towards business formation is significantly influenced by environmental factors. Schapero and Sokol (1982) posit that entrepreneurial event formation is led by individual perceptions which are created and shaped by the surrounding environment. Thus, the perception of desirability, which is initially shaped by the immediate external environment, may lead to a perception of feasibility which is created and supported by the supportive environment (Schapero & Sokol, 1982) such as financial, regulatory, legislative, and other. General environmental conditions prevailing in the economy is one category of the factors that influence the initial entrepreneurial decision (Cooper, 1981). Thus, existing taxation policy, enterprise registration procedure, capital investment opportunities supported by the government, business start-up loan schemes, and access available to support services become critical determinants in venture creation. Focusing on business startups, Rouse and Jayawarna (2011) point out that labor market restrictions act as disadvantageous to women's initial investment in business.

The prevailing socio-cultural environment of a country influences the individual <u>attitudes towards creating a small business.</u> Journal of Business Studies 46

The norms of behavior accepted by the society, traditional family relationships and their influences, availability of networks and advices in society, and the national culture of the country as a whole influence the attitudes of women entrepreneurs at venture creation (Birley, 1989).Social support for women entrepreneurs during the venture creation plays a pivotal role (Fielden & Hunt, 2011). Kantor (2002) emphasizes that women in South Asia are not in a position to make strong decisions in their businesses due to family or gender relations, which they do not want to damage. Dependency on males for important decisions and fear of social isolation due to the breaking of social norms have been major obstacles to the creation of women's entrepreneurship (Kantor, 2002, p. 139). Gaining ownership of assets and getting access to capital or investment for business start-up is another major issue encountered by women in South Asia. Further, sexual division of labor and restrictions on physical movements are seen as socially created impediments for women's entering into SMEs in this region (Kantor, 2002).

An individual's perception of selfcompetence plays a vital role at the decision making stage of initial venture creation. Perception of skills and knowledge, level of education (Cooper, 1981), experiences earned from previous career and occupational background (Schapero & Sokol, 1982) are important factors influencing the entrepreneurial decision of an individual at the outset. Further, a strong Issue II - 2016

belief that one has the capability to start a business or even fear of failure (World Bank, 2014) is influential during business start-up. Lack of institutionalized knowledge in women vis-à-vis business can be a consequence of this condition. On the other hand, the extent to which the society perceives a woman's competenceat initiating a business, and social belief on her ability to align with the socially accepted business practices also influence the entrepreneurial decision of a woman. Further, a relative lack of investment in female education, when compared to that in male education in South Asia has become a factor leading to less recognition, lack of qualifications, less training, and less experience at work, which then leads society to undermine the capability and risk-taking behavior of women at business start-up. Thus, at this juncture, we arrive at the following proposition:

Proposition 1:Institutional environmental forces(regulatory, cognitive and normative) adverselyaffect the formation stage of women-led SMEs in developing economies.

Establishment stage of women-led SMEs

If women succeed in the formation stage of their business, it will be less likely to beaffected by the normative and cognitive pressures of a society at the establishment stage. However, thereby, the strongest hurdle would be the formal establishment of the enterprise. Moving from the formation stage (idea generation) to the establishment stage (creation) of an SME inevitably

requires the support from the regulatory environment. The establishment stage of a businessis unavoidably affected by certain regulatory requirements, which comes to the force by the existing rules of the state. A regulatory environment, on the one hand assures the order of a society, and on the other hand creates barriers to business on several occasions. International Finance Corporation (IFC) reports that institutional and regulatory issues are major contributors to the slow growth rate of women's enterprises in developing countries (2011).Comparing the impact of institutions on men's and women's decisions to establish new business start-ups, Estrin and Mickiewicz (2011) found that women are less likely to undertake entrepreneurial activity in countries where the state sector is larger. Thereby, rule of law, rule ofproperty rights, and the cluster of regulations and policies determined by the government were considered under the context of institutions.

Capital investment may be the most critical resource for establishing an SME in a developing economy. Obstacles in obtaining access to initial investment have created significant issues in women-led SMEs. Women entrepreneurs have lower access to finance than do male entrepreneurs (IFC, 2011) throughout the region. Regulatory requirements imposed by the central governments as well as local government authorities have been partly responsible for this macro environmental situation. Some of the major points that repeatedly highlighted in literature accumulates around women entrepreneurs' difficulty in obtaining loans from formal sources due to the requirement of collaterals, highly formalized procedures, long and complicated documentation etc. Accordingly, we propose the following:

Proposition 2:Structure of laws, rules and regulations (regulatory dimension of the institutional environment) in developing economies hinders the smooth movement of women-led SMEs from the formation stage (idea generation) to the establishment stage (creation).

Growth, continuation or withdrawal stage of women-led SMEs

Moving smoothly towards the growth stage of a business requires more resources (Quinn & Cameron, 1983), i.e., financial, human, physical capital, information, and marke tresources. Accessibility to resources in this stage by men and women has been reportedly different. For instance, the ways that men and women entrepreneurs access informal finance resources are significantly different (Jayawarna et al., 2012). Lack of business information, business opportunities, and network connections (IFC, 2011) are at present hindering the growth of women-led SMEs. The enterprises managed by femalesin most of the developing economies have demonstrated less growth when compared to the enterprises managed by their male counterparts. Coad and Tamvada (2012), in a study of small business structure in India, reported that small firms managed by women have a lower expected growth rate.

This fact has been rationalized in the existing literature through the following arguments. Women-led businesses frequently suffer from lack of business information for formulating their growth strategies. Further, women's lack of access to important advice, business networks, and support systems in order to develop their businesses have enforced barriers for growth (Sing, Reynolds & Mohammad, 2001).Thus, we propose:

Proposition 3:Restricted access to institutionalized knowledge in the SME sector (cognitive dimension of the institutional environment) hinders the smooth movement from the establishment stage to growth stage and expedites the decline of women-led SMEs in developing economies.

For a women-led SME to become an established enterprise, it may have to fulfill the regulatory and cognitive requirements in the business environment. Thus, if it becomes established, then the intensity of the effects of regulatory and cognitive forces in the institutional environment will be minimal at the next stage of its life. However, for the usual business to be transformed into a growing business, there would need acceptance and favorable attitudes from the larger society as well. Therefore, society's role in forming favorable or unfavorable attitudes towards women's business has been vital.

The general society views women's involvement in business differently to that of men's (Birley, 1989). As Birley (1989) identifies, the role of national culture, acceptable norms of behavior of women entrepreneurs and traditional family relationships are vital in forming the social attitudes towards women-led SMEs. In particular, Asian cultureis characterized with unique traditional systems and ethics. In these traditional family systems and extended families with elder decision making, patriarchal society and the resultant male-centered and male-dominated income generation, the preference for male business successors (Wees & Romijn, 1995) suggest that society makes it difficult for women to reach the pinnacle of business success. Wees and Romijn further reveals that women's seriousness and credibility is still doubted in Asian society. Gender-based occupational segregation in Asian society too predetermines women's position in society (Kyrö, 2009), and consequently the viability of women-led SMEs. Thus, women-led SMEs in developing economies experience low esteem which hinders their gradual development.

Proposition 4: Institutionalized norms, v a l u e s , b e l i e f s , a n d assumptions(normative dimension of the institutional environment)in developing economies hinder the growth of established women-led SMEs.

4. CONCLUSION AND IMPLICATIONS

4.1 Conclusion

This study iterates three-fold discernments in developing its thesis. First, it contends that the institutional differences recognized at contextual levels (developing economy in the present study) provide a rich source of evidence for decision-making bodies in such contexts. Second, it emphasizes that scholarly attention focused on institutional environment and its impact on SMEs is inadequate if policy makers are not informed sufficiently the particular stage of business life cycles that they need to interfere. Third, it assures that identification of institutional environment's impact on SMEs observed through the lens of gender will widen opportunities for designing specific policies at grass-root level, especially for the minority group. Thus, it recapitulates the need to identify the impact of the institutional environment at different life cycle stages of women-led SMEs.

This study did not attempt to differentiate and identify any differences of the institutional forces that affect men- and women-led SMEs. Instead, more importantly, attention was accorded to identify how institutional forces would impede or expedite smooth progression of women-led SMEs throughout their life course. As suggested by the existing evidence, we conclude that an average treatment meted to all the enterprises in the same field would not yield better results unless their existing life cycle stages are not paid considerable attention, due to the fact that certain crucial issues, which need special attention at certain life cycle stages, would be unseen, neglected or undermined. Extending the above view, we further deduce that each life cycle stage of womenled SMEs may face adistinctive institutional barrier, which claim special attention and a unique treatment. Thus, closer monitoring and customer-made supportive mechanisms would be of immensely beneficial at diverse stages in their life courses. Strengthening women-led SMEs by removing or lessening institutional barriers at these life cycle stages should, undoubtedly, be one important step in national-level SME policies.

4.2 Implications

The present study confirms the importance of looking into institutional environmental forces vis-à-vis life cycle stages of womenled SMEs I then developing economy context. Close monitoring of the timely progression and related issues of SMEs may help governing bodies take necessary steps for assuring their smooth functioning and development.

This study presents the view that the formation stage of women-led SMEs is affected by regulatory, normative and cognitive forces of the institutional environment. This reminds us that business formation is the most crucial stage, which is subjected to a vast range of influences flowing from macro level environment for women star-ups at developing contexts. Journal of Business Studies 50

Thus, SME development agencies may need to capitalize more strength and resources at this stage.

The establishment stage of women-led SMEs require more flexibility and support from regulatory bodies. However, it is unrealistic to expect that existing rules and regulations can be changed or revised for facilitating women-led business with immediate effect. Instead, it may be a proactive step to establish women-friendly supportive services for help at this stage.

In stepping from the establishment to the growth stage, women SMEs may need more rich knowledge on business practices, techniques, and strategies. Further, in order to maintain a steady growth in already established SMEs, women may need support from society at large. However, the attitude that the society holds towards women's SMEs would be influenced partly by women them-selves. Thus, entrepreneurial education for the established SME owners would be more beneficial at this stage.

4.3 Future research directions

Examining the stages of life cycles of enterprises will not be an easy task. However, longitudinal studies and historical analysis of enterprises (ex., Chandler, 1962) have been successful in this attempt. Life cycle studies of enterprises reveal numerous issues and problems, which cannot be understood and addressed through any other investigations. Three possible studies could be suggested at this point. First, a comprehensive empirical investigation of the life cycle stages of women-led SMEs would help to fill the void in existing knowledge. This may be more meaningful if the investigations are contextspecific, and thus reveal the life course of enterprises in developed and developing economies separately.

An empirical investigation of the proposed relationships would enrich our knowledge on life cyclestages of women-led SMEs as well as the institutional environment and its real impact on SMEs. Such an investigation would bring new insights if a comparison of both men and women-led SMEs were incorporated in the study as the behavior of institutional forces could reveal interestingly different impacts in the event that gender is considered.

Further, an empirical examination of lifecycle stages of women-led SMEs would unveil more areas for future research.

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CRITICAL DISCOURSE ANALYSIS OF TAMIL CULTURAL IDENTITY IN CELEBRITY ENDORSEMENT IN ADVERTISEMENTS

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ABSTRACT

This study examined printed image advertisements in Jaffna market from a Critical Discourse Analysis perspective. This study mainly focused on the Tamil cultural identity in celebrity endorsements employed by advertisers to influence their customers. The analysis is based on Fairclough's three-dimensional framework. It demonstrates how the ideology of 'cultural identity' is produced and reproduced through advertisements in popular printed advertisement materials. A qualitative research was conducted on 15 newspaper advertisements. Findings indicated that advertisers used various strategies to reach the consumers through cultural identity. The advertisements, which promote Tamil cultural identity, norms and influence customers to a certain extent into believing whatever that is advertised is undeniably true. This study revealed that the Tamil cultural identity was considered as an advertising strategy by few producers for positioning their products. Findings showed that cultural celebrity commendations are advertising language used to switch consumers' minds. Thus advertisers use celebrity commendations as a means to exercise control over the unique culture, but it can be seen in few advertisements, but it is recommended that the producers and providers of services should consider the celebrity features, which set with the culture of the consumer, to whom the company targets.

Keywords: Critical discourse analysis, cultural endorsement, Tamil cultural identity,

1. INTRODUCTION

Marketing managers are looking for celebrities to give companies a better chance of communicating their message to consumers. Many companies using celebrity endorsement as widely and acceptable tool for reaching customers all over the world. In

Sri Lanka many marketers use this method to penetrate the market to have more market share.

Celebrity endorser as any individual who relishes public credit and who uses recognition on behalf of a consumer good by today's media cluttered environment where it is difficult to grab consumer's attention. Celebrities develop a persona through the type of roles they play in society as well as how they are portrayed in the media. When celebrities endorse a product, the meaning developed around a particular celebrity will transfer to a company, brand, or product.

Use of celebrities for endorsement, not all celebrity endorsements have been successful. Consumers are not able to identify with some celebrity advertisements. Consumers do not comprehend the set of the celebrities in the advertisements. The list of ineffective examples suggest that it will be wrong to consider celebrity endorsement which have some ineffective responses with the customers and the market. In order to enhance the effectiveness of celebrities, it has been suggested that marketers need to establish the link among the product, celebrity, and consumer culture by considering the type of product. Therefore, it is more important to have some operative endorsements to transfer the message through celebrity endorsers to a selected consumer group.

In northern Sri Lanka, where the context is enriched with the Tamil culture, to whom the companies target to market their products. Effective celebrity endorsements should possess the Tamil cultural unique identities to transfer the value to the customers. This study is intended to identify whether the advertisements hold celebrity endorsers have the Tamil cultural identities.

2. RESEARCH PROBLEM

Celebrity-endorsed ads were most often related to the values of quality/effectiveness, success/status, beauty/youth, and enjoyment/leisure. Celebrity gender and age were stereo typically associated with specific cultural values, which imply that celebrity endorsers are not treated inversely from the other types of endorsers in terms of gender and age when advertising messages are created (Elberse & Verleun, 2012).

Sri Lankan Tamils are culturally and linguistically distinct, Genetic studies indicate that Tamils are closely related to other ethnic groups in the island while being related to the Indian Tamils from South India and Bengalis from the Northeast India as well (Kshatriya, 1995).

Sri Lankan Tamils developed their culture in relative isolation from the great cultural centers of southern India. For centuries, Sri Lankan Tamils appear to have interacted more closely with their southern compatriots, the predominantly Buddhist Sinhalese, than with southern Indians; apart from language and religious affiliation, Sri Lankan Tamil and Sinhalese social systems, customs, and folk religious practices resemble each other far more closely than either does to the cultures of neighboring India. The Sri Lankan Tamils' unique geographical and historical experience generated a distinctively Sri Lankan variant of Tamil culture. A fact that is keenly felt by Sri Lankan Tamils themselves, who often

speak of themselves as a small, unique, community.

The center of Sri Lankan Tamil population and culture is the densely populated Jaffna Peninsula of the extreme north; other Tamil population concentrations are found on the island of Mannar and along the eastern coastal littoral, stretching from north of Trincomalee to Batticaloa. Many of today's Sri Lankan Tamils refer to their traditional Northern and Eastern Province homelands.

There are many changes we could observe, in Northern Sri Lanka after 2009, end of war paves the way to encourage many investors. Not only the south investors but also investors from other countries, entered into northern market. To attract the consumers in the Northern province, they tried many marketing strategies. Advertising is a marketing communication methods, which are used by those marketers and investors, in Northern province. They involved in celebrity endorsement advertisements in different media to attract people, but whether the marketers have reached the objectives is questionable. Studies showed that cultural identity in advertisements are accepted by the particular culture, to whom the advertisements target. This study intends to show whether the celebrity endorsement advertisements posted by the marketers in the Northern province, have included Tamil cultural identity in celebrity endorsement advertisements.

The meaning transfer model, proposed by McCracken (1989), emphasizes the important role that cultural meanings play in the process of messages passing from a celebrity to a product and from a product to a consumer. According to the model, each celebrity has a unique set of meanings, which derive from the type of person he or she is, the specific cultural contexts he or she comes from, the roles he or she has played, and the stories that have developed around him or her (Tellis, 2004).

In many countries celebrity endorsers are very match with the culture of the consumers. In Indian Tamil cultural consumers are attracted with the special endorsement advertisements. but, in Sri Lanka even the Tamil consumers are targeted by the foreign marketers, whether they are attracted by cultural specific celebrity endorsements.

Research gap

Brand equity and celebrity endorsement have been studies by the researchers in Northern province (Sivesan, 2013), Dissanayake, and Ismail, (2015), studied the celebrity endorsement and brand attitude. Ravindra Dissanayake, (2015), studied the factors Determine the Customer-Celebrity Relationship towards Perceived Celebrity Endorsements in Sri Lankan Services Sector. Thusyanthy & Tharanikaran, (2015) studied The Relationship Variables to Celebrity Endorsement and Brand Equity. Celebrity endorsement and product harm crisis management was studied by

Chandima, and Ping Qing, (2015). Tehseen, and Hameed (2015) studied the celebrity endorsement in conflating beauty adverts through a feministic perspective. But present study fills the gaps in critical discourse analysis of Tamil cultural identity in celebrity endorsement in newspaper advertisements.

3. RESEARCH QUESTION

RQ: what are the Tamil cultural identities in celebrity endorsement advertisements in newspaper advertisements.

4. RESEARCH OBJECTIVES

- 1. To study textual representations in celebrity endorsement advertisements.
- 2. To study the Discursive practice of the celebrity endorsement advertisements
- To identify the Tamil cultural identities 3. in celebrity endorsement advertisements in newspaper advertisements.
- To suggest the strategies to attract the 4. Tamil consumers through celebrity endorsement modifications.

5. LITERATURE REVIEW

The celebrity endorsement, as a potentially effective advertising strategy, can simplify the process by which the audience interprets an advertising message. Each celebrity possesses a unique set of cultural meanings and can bring the meanings into the product he or she is promoting (McCracken, 1989). In this way, the celebrity can help greatly narrow down the thematic dimensions of meanings related to the product (Langmeyer Journal of Business Studies

& Walker, 1991). Previous literature focuses on use of celebrity endorsers, it is widely accepted that celebrity endorsers are more effective than non-celebrity endorsers in generating all desirable outcomes (attitudes towards advertising and endorsed brand, intentions to purchase, and actual sales) when companies utilize celebrities whose public persona set with the products and target audiences (Erdogan, 1999).

Culture has long been believed to be the force that influences people in a society to follow the norms of their collective identity. Kroebar and Parsons (1958) defined culture as "transmitted and created content and pattern of values, ideas, and other symbolicmeaningful systems as factors in shaping of human behavior and the artifacts produced through behavior". A similar definition was given by Taylor (1964) in which culture is defined as that complex whole which includes knowledge, belief, art, morals, law, custom and any other capabilities and habits acquired by man as member of society. Hofstede (1980) treated culture as the collective programming of the mind that distinguishes the members of one group or category of people from another. He defined culture as the interactive aggregate of common characteristics that influence a human group's response to its environment. Sojka and Tansuhaj (1995) conducted a review of twenty years of cross-cultural research and provided their definition of culture as a dynamic set of socially acquired behavior patterns and meanings common to members of a particular society or human

group, including the key elements of language, artifacts, beliefs and values.

The above-mentioned definitions imply that culture presupposes a collectivity and the word can be applied to any human collectivity or category. This study applies the theory of them to find the cultural uniqueness of Tamil culture living in Sri Lanka. Culture has to do with shared ideas, the way a group of people conceptualize and represent the world and life to themselves, thus differentiating people of one society from another. The word "culture" is usually reserved for societies and it has been operationalized as nations or as ethnic or regional groups within or across nations (Hofstede, 2001). Schwartz (1999) stated that national boundaries do not necessarily correspond to the boundaries of organically developed, relatively homogeneous societies with a shared culture but there are strong forces towards integration that can produce substantial sharing of culture in nations that have existed for some time. A country's culturehas long been identified as a key environmental characteristic underlying systematic differences in consumer behavior; cultural norms and beliefs are powerful forces shaping people's perceptions, dispositions, and behaviors (Markus & Kitayama, 1991).

While culture can never be treated as a single independent variable, for it is a loaded and complex variable, overarching many areas in life (Christie, Kwon, Syoeberl, & Baumhart, 2003) and culture includes an Journal of Business Studies

extensive number of dimensions and values, much of the, research on culture is concerned about understanding cultural values i.e. shared beliefs about how people should behave. There have been a number of studies to identify core values across societies, and those values that differ between societies and are a result of local cultural differences (Burton, 2009).

One of the earliest attempt toward proposing cultural categories for analyzing culture came, from Kluckhohn and Strodt beck (1961). They proposed six cultural dimensions namely the nature of people, the person's relationship to nature, the person's relationship to others, the modality of human activity, temporal focus of human activity, and conception of space.

Hofstede (1980) presented one of the first empirically validated typology of culture across different nations. He identified four dimensions of culture on which a country's culture could be placed. He named them as power distance, uncertainty avoidance, individualism-collectivism, and masculinity-femininity. Later, based on the work done by Michael Bond(1988), Hofstede (1980), added a new dimension of long-term versus short-term orientation to extend the number of dimensions to five.

6. FAIR CLOUGH CRITICAL **DISCOURSE ANALYSIS** (CDA) MODEL

Fair clough (1989, 1995) gave his model for

CDA analysis and this model consists of three dimensions all these dimensions are interrelated with each other.

- a. The target of analysis (visual, verbal and visual texts)
- b. The methodology on the basis of which we can receive and produce text (viewing/speaking/listening/writing/ reading/designing) by creature aspect.
- c. All the conditions which are the key aspects of the socio-historical conditions and carry out these formations.

Faircolough gave three aspects to critically analyze any text

- a. Text analysis (description)
- b. Processing analysis(interpretation)
- c. Social analysis (explanation).

Chouliaraki & Faiclough (1999) said that the communicative interaction according to the CDA shows the linguistics and semiotic features on conversations and interactions that how they are systematically connected with one another and what's going on linguistically or thematically in a Society Fairclough's three dimensional model of analysis is very much useful not only in linguistics, but also in other fields like semiotics and so many other disciplines if we want to critically analyze any text either its spoken or written Fairclough (1992). three experimental stages are linked to discourse definition. He said in his model that all languages are part of social practice. He also locates three dimensions on the basis of which he operates Language as a discourse. Margret (2005) use Fairclough Journal of Business Studies 61

approach of CDA to analyzing English as a second Language. He said that availability of and access to linguistic resources is part of a person's political economy which means that the analysis of ESL (English as secondary Language) texts lies well within the purview of CDA.

7. METHODOLOGY

Fairclough's 3-D model of Discourse Analysis is applied to analyze the 15 selected advertisements. Each advertisement has been analyzed on textual, discursive and cultural level. A qualitative research design was adopted which seeks to investigate how discourse in advertisement involves people in constructing meaning of culture. Data collection was done on 15 commercial advertisements and each advertisement was analyzed at text (Micro level), discursive practice (Meso level), socio-cultural practice (Macro level).

8. DATAANALYSIS

Figure 1: Critical Discourse Analysis model



Source : Faircolough (1989, 1995)

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Advertisement 1

Advertisement for saving account **Textual analysis**

It is an advertisement to promote saving at banks, it expresses the messages, that gifts for savings offered to kids. Further this advertisement conveys the messages to the parents, as well as the children who are interested to get gifts from the bank. This advertisement posted during the new year festival period. Bank motivates the customers to have more money in the children accounts on or after the new year festival.

Discursive practice

This advertisement links the traditional event, this advertisement attracts the children and parents through the joyfulness from the children perspectives and their happiness during festivals.

Social practice (cultural identity conveyed by the celebrity endorsement) In Tamil culture new year festival is an important centenary to them. Children always receive grand money gift from their parents, grandparents, relatives, and from the teachers. End of the year festival they would have much money in their pockets. Giving money to the children during the new year festival time is a regulated occasion to Tamil people. Banks encourage this event and motivate the customers, as children to save those monies into their savings accounts. Bank also gives dices as gifts to play with siblings during their leisure time, dice which is an instrument played by the children in Tamil culture traditionally.

Celebrities in the advertisements are set with the Tamil culture, the way kids are playing closely related to the culture, the mat they sit on, the background table and the belongings on the tables, traditional sweets on the table, and playing dices are faithfully related to the Tamil culture, but the girl child did not wear the traditional ornaments wore by girl babies in Tamil culture would give more closely related to the culture (wearing flowers, "pottu", jewelers)

Advertisement 2

Advertisement for banking service **Textual analysis**

This advertisement was developed by the Bank of Ceylon Sri Lanka. This advertisement informs the customers, about the bank holiday on the new year day. Next to the new year festival day banks invites the customers to join with the bank for getting gifts for the children, and they wish the customers for enjoying the new year festival at home with the family on the celebration day.

Discursive practice

In Tamil culture people always celebrate the new year festival very magnificent. They spend their time with the family and relations. They go to temple and share the sweets with family and friends. If the bank offers any gifts to open new accounts for their kids on that day it gives difficult them to go to the bank and spend time for banking services, then they loss their happiness at home, therefore bank invites the customers, next day after the occasions. Then the customers can do their banking services separately.

Social practice (cultural identity conveyed by the celebrity endorsement) Celebrities used to convey the messages to the customers are really set with the Tamil culture. celebrities, their dress code, their positions on the advertisements, facial expressions, their culture, how the grandparents treat the kids in the home, kid celebrities, way of dressing, everything perfectly set with the Tamil culture. This advertisement, overall perfectly set with the Tamil culture and specially designed for the Tamil customers, in the Northern market.

Advertisement 3

This advertisement was developed by

the peoples bank Sri Lanka to promote the customers to have more money in female Account Branded "Vinita Vasana"

Textual analysis

This advertisement targets the women who have "vanithavasana" accounts at peoples bank branches. This advertisement informs the account holders, that who have the remarkable balance in the account can earn many products gift, bonus interest rate, credit card without any payments.

Discursive practice

This advertisement targets the Tamil women in Northern Sri Lanka. It explains the maximum benefits by keeping the balance in the bank account. It promotes the women to be a smarter lady. it passes the messages to the women to save more money for their secure life in future.

Social practice (cultural identity conveyed by the celebrity endorsement) Even if the advertisement target on the women in Tamil culture the celebrity endorsement in the advertisements is not set with the Tamil women. The bank targets the working and non-working women, who have the vanithavasana account, and who needs the home equipment. Celebrity in the advertisement only reflects the adults age, and not set with the facial beauty of Tamil culture.

Advertisement 4

This is an advertisement from a jewelers shop, which promote rich purchase of golden jewels from the shop on the famous Tamil occasion "Ashaya Trithiya"

Textual analysis

Discounts are given to the customers cost of Jewels, with the cost of labor charge of making the jewels customers can purchase the jewels from the shop, and they can get prizes for every purchase. Customers can make advance booking for that special day.

Discursive practice

In Tamil culture specially Hindus they wear many jewels. Wearing golden jewels and having golden jewels always give happiness and prestigious to them. This advertisement expresses the message, that purchasing a golden jewel on the Ashaya Trithiya" gives more happiness and richness in their life in future. This advertisement targets the women, who purchase the jewel on that day and the others, who purchase jewel for women. The messages conveyed in the advertisement strongly suggest the target group to have a golden jewel on that occasion will give more and more prosperity to them and their families.

Social practice (cultural identity conveyed by the celebrity endorsement) This advertisement specially targets the Tamil people, who have a positive attitude towards having golden jewels on "Ashaya Trithiya". The celebrity in this advertisement is very much supported the culture of Tamil. Her dress code facial expression, beauty, make-ups, jewels are wearing, the way she wore the saree, flowers, smile of the celebrity, hairstyle everything is in the perfect manner. Therefore, this advertisement very much attracts the people, to whom the advertisement was posted.

Advertisement 5

This advertisement is related to a leasing services offered by a bank.

Textual analysis

This advertisement says the relationship between the bank and the customers who get leasing facilities from that bank. The bank promises mutual relationship they have with the customers in leasing. This advertisement is indent to motivate the customers to join, with the bank to buy vehicles through leasing scheme.

Discursive practice

People who do leasing with banks always fear of payment schemes. It expresses the flexible scheme, payment system for leasing vehicles to families. The message expresses the extra ordinary facilities given by the bank for lease than the other commercial banks in Sri Lanka. No of leasing and the amount leased are highest than compare to other banks. They are the first mover in leasing services and decided to enhance the number of leasing customers soon. Compare to other private commercial banks, thy have the customized services offerings to the leasing customers. To enhance the life quality of the customer they would try to offer many value added services to the customers. They offer an innovative service solution for their customers because they have inimitable relationship with their customers rather than in a transaction platform.

Social practice (cultural identity conveyed by the celebrity endorsement) This advertisement conveys the messages in Tamil language, to target the Tamil consumers in Northern province. Mother Celebrity played as a mother in the advertisements is not set with the Tamil culture, to whom the advertisement targets. Dress code, way pf dressing, hairstyle all are different from the Tamil culture. celebrities, played as roles of father is set with the Tamil culture, the kid in the advertisement does not express the Tamil culture as well. In Tamil culture, usually the families have minimum two children, with their grandparents. So the celebrity endorsements expressed in the advertisements are not set with the Tamil culture.

Advertisement 6

This advertisement related to mobile service charges as postpaid scheme.

Textual analysis

It expresses the voice, data, and SMS can be experienced into one service package. It conveys a payment scheme for the mobile service users, who prefer to pay in a post method. It invites the customers to design their payment scheme themselves based on the available plan on the package. It consisted of different units based on the minute payment, payment for seconds and based on the usage pattern of the customer, they can decide the payment scheme or based on the needs of the customer they can decide the charge for their services. It totally expresses the flexible payment scheme for the customers who, have an eventual need for mobile service. This service lets the customer to talk more freely and pay more in future.

Discursive practice

Customer who needs unlimited talking time with their friends and lovers can freely talk any time whenever they need to take a call. This advertisement conveys a message to the adult groups for free nonstop conversation and chatting among them. Adults are very happy while enjoying the packages from the service providers. Celebrities pass the message that they are really happy by enjoying the flexible payment scheme from the service offer.

Social practice (cultural identity conveyed by the celebrity endorsement) Messages which are designed to convey to the customers are in Tamil language, therefore the organization targets Tamil people for the service through this advertisement. Celebrities in the advertisements are adults (working or studying not clear may be studying is more appropriate). Three boy celebrities who set with boys in Tamil culture. The girl celebrity in the advertisement is not set with the girls in Tamil culture. In Tamil culture standing girls with the boys very closely are not acceptable. Dress code is set with the adult girl in Tamil culture but, having 'pottu', some acceptable dress code may attract the Tamil culture more. Let the adults talk more and pay more sometime create the parents a negative attitude towards the service. This advertisement messages target all customer type in Tamil culture, therefore having celebrities to convey the message to Tamil celebrative, or celebrative made-up with Tamil features would be more attractive.

Advertisement 7

It is an advertisement to promote roofing sheets.

Textual analysis

This advertisement expresses strong and durability, and the viability of the roofing sheets. The company introduces the color roofing sheets for the customer preferences whatever they have.

Discursive practice

This advertisement posts a message to the customers through the advertisement is the durability of the roofing sheets in a long life, and it expresses the corrective decision making by the carpenter. It expresses the sanctuary, protection and quality of the traditional roofing sheets. customers admire the shapes and colors and the style of the product.

Social practice (cultural identity conveyed by the celebrity endorsement) Celebrities in the advertisement plays the grandparent roles, carpenter role,

kids, and housewives. There are three celebrity endorsements in the advertisements, one endorsements explain the traditional value of the Tamil culture how the grandparents secure their children in a family, and the company compares the safeguards from grandparents' love with the safety of the The second celebrity roofing sheets. endorsement expresses the son's responsivity in securing his father, this is also a powerful value in the Tamil culture, respecting parents and look after them in their old age are the essential desires of the son or in the family. This company bears the message to the customers about the shelter roofing sheet through the way how the parental safeguard is guaranteed by his son.

The celebrity endorsements in the third section in the advertisements, there are carpenter and the housewives. Carpenter is set the Tamil culture, but the dress code expresses as the professional way of doing carpentry works. And the women standing beside the carpenter and looking through the beauty and the excellence of the roofing works are set with the Tamil culture. The dress code and the facials are set with the culture but there should be pottu on their face would be more attractive and more unique for the Tamil culture itself.

Advertisement 8

This is an advertisement to promote the sales of wet grinder.

Textual analysis

This advertisement articulates the benefits of wet grinder, and its free offer (Idly steamer). It messages to the target customers(women), about the easiness of the wet grinder. The texts on the advertisement in the big font says the painless work in the kitchen, load for housewives and the working women. The works in red color font highlights the features of the product as the high quality grinding stones, high power force motor, easy to place on table, making the dove as a base for Roddi, pizza, role ect. The red backgrounded brand posts the message about the brand as it is a brand, which gives prestige to home makers. It says the trust and assurance through the well-known trademark in Northern province.

Discursive practice

Through this advertisement the company wants to inform the authorized dealers for sales of the particular brand. Through the celebrity endorsement. This advertisement carries the happiness of the homemakers by having this grinder in their homes.

Social practice (cultural identity conveyed by the celebrity endorsement) Celebrity endorsement in this advertisement perfectly set with the Tamil culture. Dressing code, way of dressing, color, the jewels she wore, pottu, facial look, and even the hairstyle also set with the Tamil culture. In Tamil culture home makers traditionally cook the idly, thodai, vadai, and Appam in their daily needs as well as for their They use the traditional functions. equipment for making the mixer for this foods. This grinder reduces the workload of the home makers and help to prepare the meals whatever they need. This advertisement carries a boost to make those traditional foods through the base mixer produced from the grinder.

Advertisement 9

This advertisement is to promote the sales of children milk powder.

Textual analysis

Texts in the advertisement couriers to the mothers, that the milk power encourage the brain development of the child. in the dark blue color with big font size, it stresses the child's brain activation through this milk power. The texts on the advertisement is small fonts tells the needed nutrients to the children from 1-4 years old. This milk powder gives the full nutrients to the children they need to grow for their growth.

Discursive practice

Through the celebrity endorsement this advertisement tries to tell the mothers about the active and learning capacity form the milk powder and how the child quickly learn from his childhood. If they don't have enough nutritional components from their food and milk, it leads to slow the brain development of a child. Position in the advertisement let the mothers to dream on his child to grow up quickly.

Social practice (cultural identity conveyed by the celebrity endorsement). In Tamil culture mother prefer to Brest feed the child. Breast feeding is the traditional way Tamil mothers favor to grow their children. In Tamil culture a family system has five children and more than that, mother feed all the child and she takes traditional and healthy, natural food, then she feed the child, therefore the child and mother both are rich in health and it fasts brain development. Mothers are advised to feed the child, in Tamil culture pregnancy, delivery time, and during feeding period, mothers are treated with aa special care, with natural medicines, these intakes to mother boost more breast feeding to the child. Child
grew up and be a smarter and active. This advertisement encourages the bottle feeding against the Tamil culture.

Celebrities in this advertisement are not set with the Tamil culture, the child and the mother both are really not tie with the culture, it expresses the western ethos. It leads the mothers to be a western mother as stopping Brest feeding and to shift to bottle feeding.

Advertisement 10

This is an advertisement targets the micro, small and medium level entrepreneurs in Northern province.

Textual analysis

Texts in the advertisement give many messages to Small, Medium, and Micro level entrepreneurs, who needs loan services. There is a text in big font size "this is for you, who intend to win the world through self-employment". This advertisement targets a special segment MSMEs. At different interest rate many loan services are introduced by the bank. In the separate boxes with diverse colors brand names for the different loan schemes are specified, it clearly shows the loan scheme, advisory services, selfemployment development loan, shortterm farmer loan, diary production loan, loan advisory services, investment loan,

advisory service on self-employment, and, farmer loan scheme.

Discursive practice

This advertisement expresses the concern of banks towards the MSME development in Northern province. Banks tries to convey the message that they secure the special MSME segment for their great success in near future. Small and medium level entrepreneurs do their self-enthusiasm towards the livelihood activities and for the success in market development. They have handcraft work, gardening materials, plants, jewelling, coconut crafts, small scale farming, and gardening. This MSMEs have many financial struggles to survive in their industry, they need helps from banks, and other financial organizations. They need a special loan scheme for different purposes. Therefore, this bank targets them separately, as a special segment for their success and survival.

Social practice (cultural identity conveyed by the celebrity endorsement). There are two celebrity endorsements in this advertisement. The bank's target group is MSMEs in Northern province. the celebrities, who play the roles as MSMEs in the advertisement are not set with the actual MSMEs in Northern province. the celebrity, who plays the role as the welder in the advertisement looks more professional. The women also express the western ethos.

Advertisement 11

This advertisement related to the insurance services specially to women.

Textual analysis

This advertisement rich in texts. Content is very high. in the big font size, highlighted the ability to move on to the future life. It confirms that everyone can succeed in their life. This advertisement targets women in Northern market. The words tell the customers a story about a woman who won in her life. She faced many challenges in her life. This insurance company supports the women to face that challenges. She was a teacher with minimum salary as a government servant, and could manage the expenses and the expected targets with the help of the company. Now she is in a position of a leader who leads many women like her.

Discursive practice

Through the celebrity endorsement in the advertisement, the insurance company transports a posts to the women in the Northern market, that the company supports the women to overcome their financial burden in their work and family life. The celebrity from Tamil culture share her experience with the company, and she signed her words as true and the awards she won. She expresses that she achieved a great success in her life, with the company's support. It is a hidden advertisement, the service offered by the company is purposefully hide by the company to create an interest to make awareness about the company.

Social practice (cultural identity conveyed by the celebrity endorsement) The celebrity endorsement used in the advertisement very much set with the Tamil culture, her happiness, dress code, way of dressing, the "dot" on the face, jewels everything set with the Tamil culture. This celebrity transforms the message very perfectly to the target customers. The celebrity invites the customers to share her story in the website of the company.

Advertisement 12

It is advertisement to promote the sales of herbal soap.

Textual analysis

Texts in the advertisement expresses the natural sharpness, and it great gift to human. This product consisted of 18 natural herbal ingredients to secure the human body from micro infections. It tells the benefits of the products, and how the product secure human skin from rash, itch, pimples. It delivers a messages that the sales reach a high remarkable point in international march market. It depicts a message that 100 g only for 50Rs, which can reduce the skin problem easier.

Discursive practice

Through the celebrity endorsement this advertisement, motive the family members to purchase by shifting from other soaps. This Ayurveda soap with 18 herbs gives the medical treatment to the family members in the family including children. This product gives gift to human being as a nice, clean, sickness free life, smart, and happy movements. White dress expresses the cleanness and purity in family movements. The celebrities in the advertisement give a message to the consumers about the benefits of the soap, and their happiest movement in their life.

Social practice(cultural identity conveyed by the celebrity endorsement) Celebrity endorsements in the advertisement are not set with the Tamil culture. They express the western ethos. In Tamil culture especially Hindu avoids to wear white dress, but in other culture they prefer. But if the advertisement targets the Tamil cultural consumers, the dress code, way of dressing, color, are not set with the Tamil culture.

Advertisement 13

This advertisement promotes a brand of gas for household purpose.

Textual analysis

In the big text, the advertisement tells the long use of gas for household purpose. it differentiates the prices in two different packaging. It links the awards won by the company, and the standard mark SLS (Sri Lankan Standard). It goes up to 31 days' consumption, fastest sales growth, and quick moving brand in Island.

Discursive practice

Through the celebrity endorsement, this advertisement conveys a message that the long days' consumption leads happiness of the home maker. Celebrity tells the customers to shift this brand, because of the extended usage of the product, which give cash savings.

Social practice (cultural identity conveyed by the celebrity endorsement) Celebrity endorsement in the advertisement perfectly set with the Tamil culture. Dress code, way of dressing, jewels, makeup, flower, hair dress, color, facial expression are set with the Tamil culture. In Tamil culture home makers always think of savings and elongated consumption, and to prefer to manage their kitchen work within a limited source. Then this celebrity easily attracts the target customers. Wording in the big fond size give different meaning, the additional last letter in Tamil may be deleted.

Advertisement 14

This advertisement is to promote the sales of three wheelers.

Textual analysis

The texts in the advertisement expresses the three wheeler as a family vehicle as savers of money. Prestigious, fuel efficiency, cost effective mechanical maintenance, special features, and as the family vehicles for earning and self uses. In the textual context, special features of the engine, internal features, vehicle shape and features of the engine are described in detail. Every product features are clearly described in a point format. It gives a clear picture about the product to the user. Special strength, long term usage, special savings, special security, and convenience are symbolically articulated in an attractive manner.

Discursive practice

In this advertisements celebrity endorsements are used to convey the message of happiness and family comfortable with the vehicle. The celebrities tell the happiness to the customers, and promote the families to purchase the vehicle for their family use and for business.

Social practice (cultural identity conveyed by the celebrity endorsement). Celebrities in the advertisements are very much set with the Tamil culture, the faces of the celebrities, dress code, kid celebrity, way of dressing color, facial expression, dot on the women celebrity's face, dot on the kids face, temple rope on the men celebrity's hand all set the Tamil culture.

Advertisement 15

It is an advertisement to convey the message of fuel efficacy of motor vehicle.

Textual analysis

Texts in the advertisement says the true story of a customer who newly purchased a motor bike with fuel efficiency. The user says that before purchasing he never belief the attributes related to the vehicles, but after the experienced, he really admired from the usage and the mileages of the vehicles.

Discursive practice

Through the celebrity endorsement this advertisement encourages new users to purchase the particular brand which has the special features. Sharing the experience of the celebrity, this advertisement tries to canvas others to faith the features of the vehicle. **Social practice**(cultural identity conveyed by the celebrity endorsement)

Celebrity endorsement in the advertisement very much set with the Tamil culture, the company selected the Tamil celebrity to share the experience with the other new users in Northern market.

Ad	Textual analysis	Discursive Practices	Social practices (Cultural identities				
1	Depositing throughout the festival day	Happiness among the children Saving creates contentment	Playing dices Happiness among siblings New-year celebration, girl baby can wear ornaments				
2	Let relax about banking on celebration day	Enjoy at festival day Next to the festival day, banks invites the customers to have an account	Grant parents and children relationship Treating family members				
3	More money incentives for account holders	To be a smarter lady Saving more for life security	Not match with the ladies in all groups in Tamil culture Reflecting adults age				
4	Low cost sales	Having happiness and prestigious More wealth more happiness	Very much with the culture "AshavaTrithiya" concept match with the sale				
5	Having mutual relationship	Flexible payment system First mover in leasing service Family security, innovative service solution	Mother and kid celebrities are not set with the Tamil culture				
6	Unlimited service offer Flexible payment system	Really enjoying with flexible payment, talking with friends in unlimited package	Parents may have Negative attitude toward the services Girl Stands very closed to a boy is not set with the culture				
7	Strong, durability, visibility, and color preference	Quality of the traditional roofing sheets	Parent-son traditional relationship value Grand parent-grand children relationship Admire on carpenter decision Some of the celebrities are not match with the culture				

Table 1: Critical Discourse Analysis of Celebrity endorsement advertisements

8	Benefits and free offer	Happiness of home makers	Traditional food habits Match with the culture
9	Nutrition for brain development through bottle feeding	Brain development	Discourage the Brest feeding Celebrities not set with the culture
10	Segmented loan scheme for MSME development	Different loan scheme for different segment	Celebrities are not match with the culture
11	Succeed women and the help of the company	Support for financial burden, achievement with the banks, and the awards she won	Celebrity set with the culture
12	Natural sharpness and great gift to the consumers Skin protection	Medical treatment to the family members Cleanness and purity in family movements Soap creates happiest movements	Not match with the culture They express the western ethos
13	Extended usage, fastest sales growth	Happiness of home makers	Set with the culture Wording in the big fond size give different meaning, the additional last letter in Tamil may be deleted.
14	Three wheelers as a family vehicle	Family use and income source Satisfaction with the product gladness	All the celebrities are traditional with the culture
15	Special attributes	Experience and trust	Celebrity is set with the culture

9. CONCLUSION

Celebrity endorsement is an effective advertising method, has great potential to convey message to the customers and consumers. The role played by the celebrity in the advertisement directly impacts on the purchase decision made by the consumers. Whatever the messages they pass through the celebrity endorsement directly and indirectly goes to the customers. Therefore, it is important to make appropriate messages and the similar celebrities assigned with the advertisements. Culture has long been believed to be the force that influences people in a society to follow the norms of their collective identity. culture as transmitted and created content and pattern of values, ideas, and other symbolicmeaningful systems as factors in shaping of human behavior and the artifacts produced through behavior. Culture expresses the way how they live, share values. Tamil culture is special and unique in Sri Lanka, they have a unique lifestyle, food habits, living patterns, family system, and attitudes, a living in North and east Sri Lanka.

Many companies target those Tamil consumers as their special segment. This companies use celebrity endorsement as a strategy to convey message to that target audience. Studies show that celebrity endorsement should set with the culture of the consumers, to whom the advertisements target. This research analyzed 15 celebrity endorsement advertisements, whether they have the cultural set with the Tamil culture, the findings shows that some of them have the cultural identities and some of them have not. Then the study recommends to have more cultural value and set with the Tamil cultural identities in celebrity endorsement advertisements to attract the consumers in the Northern Sri Lanka.

10.LIMITATION OF THE STUDY

Limited to the time frame the researcher analyzed only 15 advertisements only.

Tamils in Sri Lanka consisted of Tamil speaking Muslims and Tamil speaking Christians, and Tamil speaking Hindus. In this research the researcher considered the Tamil cultural identities as the cultural identities of Tamil speaking Hindu people lone. In future research unique cultural identities of each culture can be analyzed through this methodology.

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Advertisement 2



Advertisement 3



Advertisement 4



Advertisement 6





Advertisement 7



Advertisement 8





Advertisement 10

Advertisement 12



Advertisement 11

எழுந்து நிற்கும் உங்களுக்காகவே... electori () marrie INDIA இயற்கையின் துல்லியம் idg uplopana ar L BL # BLLS SMILE III - 6 27 75 120 Grennundu 00 கிராய் ரூ.50/-- 8 - 91 MEDIMIX the party Gauge ape 100.0 A HNB ITT

Journal of Business Studies

Issue II - 2016



Advertisement 14



Advertisement 15



HOW TO IMPROVE INNOVATION CAPABILITY? : THE ROLE OF INTELLECTUAL CAPITAL AND ORGANIZATIONAL MOTIVATION OF MANUFACTURING FIRMS IN SRI LANKA

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ABSTRACT

The intellectual capital creates a crucial factor for the achievement of the innovation of firm. Numerous studies have been documented that intellectual capital positively influences innovation capability, which is conceptualized as the degree to achieve its firm performance. However, there is a lack of studies examining the specific means through which organizational motivation influences innovation capability at firm level. Therefore, the purpose of this study is to exhibit the Intellectual capital effects on firm innovation capability by influence the organizational motivation. This study investigates the multidimensional and contingent gradual effect of intellectual capitals and organizational motivation on innovation capability. Manufacturing sectors have shown commendable progress over the past few decades in Sri Lankan. The structured questionnaires were administrated as a research instrument and random sampling technique was used to collect the data from 462 senior executives and senior managers from manufacturing firms in Sri Lanka. The study revealed that the intellectual capital have significant positive relationship on innovation capability with strong influence of organizational motivation. The intellectual capital mediated by organizational motivation that lies outside and inside of the firm have an indirect effect on innovation capability. The findings of this study will be useful for manufacturing industry to apply intellectual capital management and identify organizational motivation to create innovation in their organizations.

Keywords: Intellectual capitals, Innovation capability, Organizational motivation

1. INTRODUCTION

The development of intellectual capital can be regarded as an accumulative process which not only creates incentives to be exploited by product innovations, but also delivers the required complementary assets. The development of new products expands a firm's competence base, which in turn, enables further product innovations (Danneels, 2002). Thus, in contrast to incremental innovations or product enhancements, continuous new product developments permit the renewal of organizational resources and can contribute to the building up of dynamic capabilities (Teece 2007; Eisenhardt and Martin, 2000). In particular, intellectual capital are considered to be the most important source of firm's innovativeness and heterogeneity of performance because of relatively high barriers to duplication . On the other hand, the Dynamic Resource-Based and the Dynamic Capabilities View Approach while explaining how firms gain innovation capability and better performance in increasingly demanding environment emphasize dynamics and evolution of resources and capabilities.

Intellectual capital is the value driver of an enterprise and most valuable assets of the firm . Intellectual capital are complex

constructs which can be classified into human, organizational, and social capital . While all three dimensions are sources of firm innovation capability, however they are not equally important. The theoretical considerations indicate that human capital is central to intangibles since it is the source of innovation and renewal (Stewart, 1997). However, the empirical research shows mixed results. For example, found that human capital without the support of organizational capital is practically useless, and confirmed that the more important role of organizational capital for firm performance. Still more empirical research are needed to investigate the importance of different intangibles categories for innovation capability and firm performance. In this context the challenge appears to investigate the importance of different intellectual capital dimensions for firm innovation capability.

With a significant contribution of 30% to the GDP and 25% to the workforce, the industrial sector in Sri Lanka has become the prime force of value creation in the economic development of the country. Out of four sub sector of industrial sector; Mining & Quarrying, Manufacturing, Electricity, Gas, & Water, and Construction. The manufacturing sector accounted for over 60% of the output of the industrial sector and 17% of the country's GDP. As such the manufacturing sector has become the biggest contributor to the industrial growth of the country. Its contribution of 75% to national export earnings (USD 7,992) in 2011, has made the manufacturing sector more significant in the Sri Lankan economy.

The Strategy and focus of the government is to ensure that Sri Lanka's industrial sector will be a highly value added, knowledge based, internationally competitive and diversified sector which employs a highly paid, skilled workforce by 2020. The sector expected to mobilize more local raw material and have a large value creation particularly for a growing economy. Accordingly, Sri Lanka promotes resource based industries which utilized local raw materials & increase more value addition, as well as technology intensive industries which adopt & apply advanced technologies.

However, when compared to with East Asian countries such as South Korea, Taiwan, and China, Sri Lanka has to perform much better than before in order to reach their levels of achievement in industrialization and innovation. The ability to reach this level depends not only on the expansion of the manufacturing sector but more importantly on the success innovation of individual manufacturing sector in the country. It is also evident that the success of manufacturing sector is crucial for the country's economic development. However, it is common occurrence throughout the world that innovation is very important to sustainable business. Therefore, it is important to find out through the systematic empirical study, the success factors that would contribute to innovation and success of manufacturing sector in Sri Lanka.

The knowledge required for manufacturing industry to remain competitive in the global trade of manufacturing can be classified as knowledge in design and product development, technical knowledge and market knowledge. In Sri Lanka, industry today lacks with market knowledge as not much market researches are carried out related to Sri Lankan industry . Industry is also not much concern about the research and development activities as well most of the manufacturing organizations are not involved in marketing activities. Traditional low labour cost advantage is now moved to other countries such as Vietnam and Bangladesh causing

decrease in contribution of manufact uring industry for national economy mainly in terms of the employment . Therefore, knowing what constitutes new sources of competitive advantage and how these factors could be generated is critically important to set a future direction for Sri Lankan manufacturing industry.

Managing intellectual capital is an ongoing challenge, especially as social, political and economic events take their role. Strategies must continually be redefined to deliver improved return on investment in intellectual capital. The Sri Lankan manufacturing industry being the largest contributor to the Sri Lankan economy for last few decades, it should cultivate its competitive advantage in order to be sustainable in the global market. Therefore, the primary objectives of study are: To examine the Intellectual capital (IC) and Organiza tional Motivation (OM) as a critical success factors in Innovation capability (InC) of the manufacturing Industry in Sri Lanka, and to analysis the mediate effect of Organizational Motivation between intellectual capital and Innovation Capability.

2. LITERATURE REVIEW 2.1 Intellectual Capital

The economic importance of intellectual capital has long been recognized. However, it is recently that it has become the field of research. Intellectual capital research is strongly grounded in practice

. Early research on intellectual capital focused extensively on their definitions and classifications. Consequently, in the literature neither one unified definition of intellectual capital nor one general classification can be found. Stewart (1997) illustrated intellectual capital as the sum of an organization's patents, processes, employees' skills, technologies, information about customers and suppliers, and oldfashioned experience. The very common view is that intangibles are contained in the difference between market and book value of the firm.

Regarding contemporary classification schemes of intellectual capital, divides intellectual into three groups: (1) employee competence (individual's ability to act in a wide variety of situations to create both tangible and intellectual capital); (2) internal structure (patents, concepts, models, computer and administrative systems, ex. organizational structure or spirit); (3) external structure (relationships with customers, suppliers, brand names, trademarks, organizational reputation and image). Another classification scheme divides intangible resources into assets and skills . The widely accepted classification of intellectual capital is the distinction between human capital, organizational capital and social capital (Stewart, 1997; Bontis, 1998). This classification will be applied for the purposes of the research.

Human capital represents the individual knowledge stock of an organization as represented by its employees (Bontis, Keow and Richardson, 2000). It compromises the competence, skills and intellectual agility of the individual employees (and it cannot be owned by the company (Bontis, 2001). It is considered to be the most important intellectual asset as it is the source of innovation and renewal (Stewart, 1997).

Organizational capital is everything that gets left behind at the office when employees go home. Firms in order to share the knowledge need structural assets, such as information systems, laboratories, competitive and market intelligence and management focus (Stewart, 1997). On the contrary to human capital, organizational capital belongs to organization as a whole and it can be reproduced and shared. Organizational capital is a critical link that allows intellectual capital to be measured at the organizational level of analysis (Bontis, Keow, Richardson, 2000).

Social capital of the firm is the value of its franchise, its ongoing relationships with people or organizations to which it sells (Stewart, 1997). The main content of social capital are the knowledge of marketing channels and customer relationships (Bontis, 1998). Social capital is more often measured and counted than human and organizational capital. The ultimate form of social capital is shared knowledge (Stewart, 1997).

This study treats intellectual capital as holistic construct (takes into account all of its different aspects rather than focusing on three dimensions) but examines its different aspects separately since difference forms of intellectual capital may have different implications for enhancing motivating factor. A firm's capacity to develop and apply its expertise and knowledge is highly related to its intellectual capital. The most commonly given definition for intellectual capital delineates this concept as the overall knowledge and capabilities that an organization can use in order to achieve a competitive advantage) described intellectual capital simply: that is the pillars of the future of any enterprise; it's an indicator of whether an enterprise can operate effectively. Any enterprise that does not invest in invisible capital cannot possibly generate the momentum of innovation.

2.2 Organizational Motivation

The effects of Intellectual capital on Innovation capability and firm competitive advantage should be mediated by organizational motivation of internal and external factors. This argument is consistent with the work of who claim that firms that focus extensively on learning from and exploring the environment can constantly renew their knowledge stock but cannot benefit from it unless they can exploit what they have learned from their environment. Similarly, in his seminal work on the role of exploration and exploitation in organizational motiva tion, notes that Adaptive systems that engage in exploration to the exclusion of exploitation are likely to find that they suffer the costs of experimentation without gaining many of its benefits. They exhibit too many underdeveloped new ideas and too little distinctive competence.

Organizational motivation and institutional forces might influence the progress of an organization's Innovation capability and firm performance. King et al (1994) identify two forms of institutional interventions (reputation status and government support) and two innovation drivers (cost efficiency and market share). Reputation status can change the behaviour of those under the institution's way. This can be achieved either without direct use of corporate strategy; with the exercise of social acceptance or by corporate social responsibility. On the other hand, cost efficiency have the purpose of directly and at times indirectly affecting the behaviour of entities. This can be done through low cost or cost reduction that limit options and modify behaviours. Either way, market share can result in different but related outcomes depending on whether competitor's pressure or consumer's pressure forces drive the market share. On the basis of the above argument and depending on the prevailing balance of demand pull vs. supply push, organizational motivations for innovation capability can include an economic expectation of enhancing efficiency, a regulatory response of ensuring compliance and a normative objective of attaining legitimacy (Rahim et al, 2007).

Hypothesis 1: Intellectual capital of firm has positive and significant effect on innovation capability.

Hypothesis 2: Intellectual capital and Organizational Motivation of firm has positive and significant influence on innovation capability. potentially affect the outcomes of this study were used Firm size and Firm age as control variables. large organizations may be more likely to develop innovative capabilities owing to their extensive resource bases ; however, smaller organizations may be more innovative owing to their flexibility. The nature of the organizations and employee contribution are competing in environment control which is known to



Figure 1 Conceptual Model of the Study

Hypothesis 3: Organizational motivation will mediate the relationship between Intellectual capital and innovation capability.

Several firm-level variables that can

influence their innovative capabilities.

3. METHODOLOGY

A sample of 800 manufacturing enterprises of various sizes ranging from small, medium, and large was drawn

from the list of export association and Board of investment of Sri Lanka. The questionnaire designed for this study was pre-tested and finalized before it was utilized for survey. The questionnaire along with a letter of request addressed to the chief executive officer and senior managers of each firm was mailed to the sampled firms. The data for the analysis were obtained through a mail questionnaire survey conducted during in 2012 -2014. The study has received 478 filled questionnaires from CEO and Senior Manager of 246 manufacturing enterprises, getting a response rate of 60 percent. Since 16 responses were uncompleted, after deleting missing data or unfilled some cases, the total useable responses to 462 cases were retained for analysis.

Items for the survey questionnaire were developed after an extensive review of the relevant literature on intellectual capital in manufacturing industries, Innovation capability, and firm performance, organizational motivation in general. The total number of items included in the survey was 42 including those items that were used in this study and other items that were used in order to tap into other research questions. Where applicable, items that were used in previous studies were adapted to the purpose of this study to ensure validity of survey measures.

First, multiple linear regression analysis is used for testing the hypotheses relating to within manufacturing. Second, the structural equation modeling (SEM) analysis is employed to measure any mediate effects of organizational motivation and statistically significant differences in innovation capability in the manufacturing industry in the light of intellectual capital and innovation capability. In addition, descriptive statistics are used to analyses and interpret the statistical attributes of the population, sample and variables. In this paper, SPSS 21.0 statistical analysis software and AMOS 20.0 structural equation modeling techniques were used as a data analysis tool.

4. FINDINGS AND DISCUSSIONS

4.1 Sample Description

The demographic percentages are based on the questionnaires without missing data. As mentioned before, the respondents come from a variety of different organizations with 59.7% male and 40.3% female. Their ages ranged from 20 to 59, around more than 50% from 35-59 years old. 62.1% were married and more than 72% have bachelor and professional degree, around 12% have master degree in their discipline. 75% of them have at least 5 years' experience in same enterprises. Their functions include accounting, advisory, engineering, finance, human resources, and marketing, operations, research, and technology services. Respondents indicated that they come from organizations with sizes in the range of 100–over 1000 full-time equivalent employees. Around 78% are come from 501-2000 employee size of firm.

All industry sectors were fairly well represented by sample firms, while the textile and apparel sector accounted for nearly 33 percent of all firms, indicating its dominance in the current manufacturing as this sector has contributed to the 52% of the export earnings of country. The majority of firms were private companies limited (58.2 percent) with others comprising public companies limited (27.7 percent). This indicate that private company limited has become the most popular form of business organization among manufacturing firms in Sri Lanka. The size of firm was measured in terms of number of employee. The number of small, medium, and large firms included in the respondent sample were 13.2 percent, 38.5 percent, and 48.3 percent respectively. This grouping was based on a widely used criterion of defining manufacturing firms with 1-100 employees as a small-scale industry, 101-500 employees as a medium-scale industry, and those with more than 501 employee as a large-scale industry.

In the industrial composition of sample, Textiles, Wearing Apparel and Leather Products firms represented the biggest sector in sample (33%), whilst 15% are involved in Chemical, Petroleum, Coal, Rubber and Plastic Products firms and 14% firms specialized in Food, Beverages and Tobacco Products. The other firms in the survey were spread across a number of different sectors, including Wood and Wood Products (8%), Paper Products, Publishing and Printing (7%), Fabricated Metal Products, Machinery and Transport Equipment (7%), Non-Metallic Mineral Products (6%), and 10% of the firms surveyed operate in non-specified manufactured products (Not Elsewhere Specified).

The sample composition with respect to the firm age described in Table 4 demonstrates that the majority of firms (59.4%) were established in the period of

more than 20 years old. 17.7% of firms are less than 10 years old, 22.9% are between 11-20 years old, and 27.3% were established 21-30 years ago. Only 2.2% have been established for more than 40 years. In this study, the firms were divided into two groups: older and younger. The firms established before 1995 were denoted as older firms, and the firms established since 1995 as younger. This division allowed the sample to be split into two groups of approximately the oldest of 59.4% and youngest of 40.6%. When respect to the sales of firms which was measured in terms of annual sales, 34.0 percent of the firms had sales less than 1 million US dollars while highest 38.5 percent of firms had sales ranging from 1-10 million US dollars, 15.6 percent of firms had sales 11-20 million dollars, and only 11.7 of firms had an annual sales more than 21 million dollars.

4.2 The Reliability, and Validity Analysis

The factor analysis with varimax rotation of 11 variables yielded three significant factors which explained 65% percent of total variance. These factors were also considered satisfactory according to the reliability test of Cronbach alpha with a value of greater than 0.6. A one-factor solution in which all the items had high loadings (average loading = 0.742) and the single factor explaining 55% of the variance was obtained and the components of intellectual capital as human capital, social capital, and organizational capital had high factor loading (average loading more than 0.658), and the Cronbach α value (HC= 0.869, SC = 0.865, and OC = 0.878) respectively higher than standard. The component of intellectual capital had composite reliability more than 0.9. As general guideline, composite reliability of 0.7 or higher are considered as good.

There are several reasons to believe that organizational motivation will be more conductive to innovation capability in organization with higher levels of intellectual capital. However, a one-factor solution with the single factor explaining 43% of the organizational motivation variance emerged, with an average item loading of 0.658. The Cronbach α coefficient value of 0.809, and also the composite reliability (CR) value of 0.885 higher and considered as good.

Innovation capability refers to the firm's ability to transform and knowledge and ideas into new products, processes systems for the benefit of the firms (Lawson and Samson, 2001). However, a one-factor solution with the single factor explaining 44% of the innovation capability variance emerged, with an average item loading of 0.666. The Cronbach α coefficient value of 0.874. And also the composite reliability (CR) value of 0.908 higher and considered good.

4.3 Model Analysis

Reliability and validity analysis is to test the hypothesis preparatory work to ensure that the variables were used to test the hypothesis that both have met the requirements. Researcher assume direct model validation, found intellectual capital of the enterprise has a certain role in influence on innovation capability, in motivation has strongest coefficient of 0.483, p < 0.05; intellectual capital has the impact coefficient of 0.313, p < 0.05significantly. Here researcher found that the intellectual capital of the firm has the most significant influence on innovation capability, this also confirms the intellectual capital of the human, social, and organizational capital as the company's core research ideas. Another thing that the organizational motivation have most significant impact on innovation capability, this is different than expected, indicating that the pursuit of intellectual capital and innovation capability and some influence between intellectual capital and innovation capability. As the Table 1 shown, one way ANOVA was utilized to determine

Factor Variables	Small Firms	Medium Firms	Large Firms	Significant	
IC- HC	3.32	3.61*	3.91*	0.001**	
SC	3.91*	3.89*	4.01*	0.000**	
OC	4.21	4.02**	4.22**	0.000**	
OM-MS	3.50	3.99*	3.59*	0.002*	
GS	3.42**	3.92**	3.83**	0.000**	
RE	4.01	4.21	4.12*	0.007*	
CE	2.63*	3.07*	2.85*	0.004*	
INC-PD	2.43	2.56**	2.72*	0.000*	
PC	3.42	3.60*	3.65*	0.000*	
MK	3.22*	3.78*	3.87*	0.000**	
MG	2.35	2.54*	2.73	0.000*	

* P<.05; and ** P<.01

which the role of the firms organizational
--

whether there was a statistically significant difference between the means of factors among the three groups of firms.

4.4 Mediation Analysis.

While the Baron and Kenny (1986) procedure is the most commonly used method in organizational research, MacKinnon and his colleagues (2002) compared 14 methods that test mediation effects and found that the procedure has low statistical power and that the best balance of Type I error and statistical power in tests of mediation is achieved by the Sobel (1982) test. In this paper, the researcher relied on three methods to test for mediation – the Baron and Kenny (1986) procedure, the test, and path analysis. In the case of simple mediation, the indirect effect of the independent variable on the dependent variable is defined as the cross-product of the independent variable-mediator path and the mediator-dependent variable path and the significance test associated with the product term. According to testing the hypothesis of no difference between the total effect and the direct effect more directly addresses the mediation hypothesis than do the series of regression analyses proposed by Baron and Kenny (1986).

Hypothesis H2, and H2a proposed that the relationship between intellectual capital and innovation capability is mediated by organization motivation.

Variables	М	SD	<i>y</i> 2	<i>y</i> 2	<i>y</i> 3	¥4	x_{I}	x_2	<i>x</i> ₃	m_1	m_2	<i>m</i> ₃	m_4	c_{I}
Product Innovation	4.218	0.834												
² Process Innovation	2.687	0.997	0.769**	-										
∕₃Market Innovation	2.217	0.799	0.782**	0.658**	-									
Manageme nt Inno	3.585	1.188	0.691**	0.591**	0.648**	-								
Capital	3.956	0.757	0.295**	0.327**	0.362**	0.157**	-							
¢₂ Social Capital	4.013	0.699	0.504**	0.443**	0.551**	0.489**	0.495**	-						
3 Organizatio nal Capital	4.053	0.749	0.595**	0.527**	0.562**	0.557**	0.487**	0.399**	-					
n ₂ Market Share	3.996	0.848	0.504**	0.443**	0.551**	0.489**	0.387**	0.199**	0.001	-				
n ₂ Governme nt Support	3.973	0.748	0.591**	0.382**	0.258**	0.548**	0.582**	0.628**	0.648**	0.458**	-			
n₃ Reputation Status	3.218	0.834	0.369**	0.291**	0.504**	0.443**	0.351**	0.489**	0.287**	0.299**	0.109	-		
n₄Cost Efficiency	2.687	0.997	0.782**	0.658**	0.691**	0.782**	0.558**	0.348**	0.482**	0.618**	0.448**	0.358**	-	
a Age	2.217	0.799	194**	089	133*	029	088	0.190**	456**	280**	0.458**	0.287**	0.186**	-
2 Size	3.585	1.188	468**	275**	338**	397**	354**	456**	280**	0.458**	456**	0.280**	0.328**	0.287*

Variables	Model 1	Model 2	Model 3		
x1 Human Capital	0.230**	0.435**	0.387**		
x ₂ Social Capital	0.202**	0.197	0.368**		
x_3 Organizational Capital	0.414**	0.392*	0.070**		
m1 Market Share		а	0.451*		
m_2 Government Support		а	0.128**		
<i>m</i> ₃ Reputation Status		а	0.122**		
<i>m</i> ₄Cost Efficiency		а	0.154*		
c1 Age	0.141	-0.056	-0.035		
c_2 Size	-0.129**	-0.495	-0.009		
В	0.503	0.052	0.528		
<i>R</i> ²	0.604	0.614	0.698		
F	461.31*	238.97*	334.35*		

Table 3: Model Summary of Intellectual Capital and Innovation Capability

*p<0.01, and **p<0.05

The results in Table 3 shows that intellectual capital has a significant impact on innovation capability to satisfy the first condition of the Baron and Kenny (1986) procedure for establishing mediation. The testing the indirect effect of intellectual capital on innovation capability requires a significant relationship between intellectual capital and organization motivation (condition 2) and between organization motivation and innovation capability in the presence of innovation capital (condition 3). There was support for the second condition based on the results of Hypothesis H1 reported in the





preceding section (Table 2). Table 3 shows that organization motivation and innovation capability are also significantly related in the presence of intellectual capital, that satisfying the third condition. Based on the support found for both of these relationships, the presence of an indirect relationship is supported between intellectual capital and innovation capability through organization motivation. Sobel (1982) test was further conducted to test the significance of the indirect effect of intellectual capital on innovation capability. The result of this test provided further support for the significance of such an indirect effect (Sobel z = 4.263, p < .05). Based on these results, Hypothesis H2a was supported.

The hypothesized model, holds up well when tested against the confirmatory sample of 462 of manufacturing industry of Sri Lanka. While the X^2 value of 5.609 is statistically significant with 7 degree of freedom, the root mean squared error of approximation is (RMSEA = 0.000,and RMR = 0.004) which suggests a good fit since it is below the critical threshold of 0.08. Further, the Normed Fit Index (NFI = 0.997), the Goodness of Fit Index (GFI = 0.995), the Incremental Fit Index (IFI = 1.001), and the Confirmatory Fit Index (CFI = 1.000) are all between 0.99 and 1.0, suggesting that the research model fits the observed data well.

Figure 2 illustrates the positive and disordinal mediating impact of organization motivation on the relationship between intellectual capital and innovation capability. Visual inspection of Figure 2 suggests that when firms possess high levels of motivation, the relationship between intellectual capital and innovation capability is positive and under low levels of organization motivation the relationship between intellectual capital and innovation capability is negative. Finally, this positive impact of organizational motivation on the relationship between intellectual capital and innovation capability suggests that the relationship is negative under low levels of organizational motivation, and high level of organizational characteristics. There is a positive relationship between intellectual capital and innovation capability under high levels of organizational motivation, and high or low level of organizational characteristics.

The results of correlation analysis summarized Table 2 indicated that the significant effects of human capital, social capital, and organizational capital. The patterns of relationship between the intellectual capital, organizational motivation, and innovation capability are, in general, quite similar among the whole sample, and the sub-samples of younger and older firms. However, there is a difference between the younger and older firms. The effects of organizational capital and social capital are stronger among the older firms than among the younger firms. According to the corresponding correlation coefficients, human capital is more important among the younger firms. The mediation effects of reputation status and cost efficiency are stronger among the older firms than younger firms, same as market share and government support are stronger among the younger firms.

In sum, the results from this section as well as the plots of interactions lead to an empirical conclusion which is somewhat different from the conclusions drawn in earlier sections which pointed to a direct relationship between intellectual capital and innovation capability. Based on the results of this last section, it seems that in the presence of intellectual capital and organizational motivation, does not predict innovation capability and that this relationship becomes positive, contrary to predictions, under conditions of low organization motivation and low intellectual capital, and consistent with predictions, under conditions of high organization motivation.

5. CONCLUSIONS AND RECOMMENDATIONS

This finding highlights that when the manufacturing industry creates an organizational motivation culture and innovation-oriented culture, that will facilitates and better firm performance from better innovation. In this study, we found that intellectual capital facilitate by organizational motivation that lies outside and inside of the firm have an indirect effect on innovation capability. These practices were positively related to innovation capability, which, in turn, was related to firm performance. While the positive relationship between intellectual capital and innovation capability was a strong and consistent finding throughout all the analyses performed. Results also supported a direct relationship between intellectual capital and innovation capability. There was a controlling affects of organizational characteristics such as age and size in strengthening the relationship between intellectual capital and innovation capability. The theoretical and practical implications of these findings as well as the limitations of this study are discussed below.

Overall, the findings of this study extend both knowledge management and innovation management literatures in

important ways. First of all, it provides empirical support for the existence of a dual path - internal and external through which firm can gain competitive advantage in markets through organizational motivation and innovation. Yet, it shows that organizational motivation is more critical for firm' innovation capability compared to organizational characteristics. Second, it shows that the knowledge management, and resource base view framework are a useful theory for opening up the black box between intellectual capital, innovation and performance in export oriented firms.

The skills level of Sri Lankan workers as a positive factor when considering the apparel manufacturing industry. Sri Lanka has a highly trainable work force in the Asian region that has much higher literacy rate which is similar to the developed countries . Considering the motivation level of the workers, to work in the apparel manufacturing industry at the operator level, it should be noted that having apparel industry is the major employment provider for Sri Lankan economy. Modern management practice in manufacturing industry considers employees as a valuable asset. Most of the organizations have a good level of employer-employee relationships.

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EXPLORING NATURE OF WORK FAMILY CONFLICT: AN EXPLORATORY STUDY IN THE BANKING SECTOR

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ABSTRACT

The work family literature demonstrates the great vitality and diversity of scholarship and it is an omnipresent factor in the study of contemporary organizations and society. This study was designed to diagnose the pervading nature of work family conflict in Sri Lanka. A total of fifteen respondents were purposively selected from a high status occupations viz., banking organisations and the experience survey was employed. The majority of the employees interviewed are in accord with existence of time based and strain based work family conflict in Sri Lanka. Nonetheless, as the third form of work family conflict-behaviour based work family conflict- in the vantage point of the majority of the employees opined that there was a flimsy of evidence to its existence. Most importantly, this study identified a new form of psychological based work family conflict and thus these novel insights unequivocally contribute to revamp the work family conflict literature. This study becomes a springboard for future research studies.

Keywords: High status occupation, Role theory, Work family conflict

1. INTRODUCTION

Work family conflict (WFC) focuses on the difficulties employees have in balancing their work and family responsibilities (Adams, King, & King, 1996). Albeit voluminous research studies on work family interference have been carried out in Western cultures, no research has attempted to excel the concepts of work family conflict in Asian culture a rather researchers on same culture have just applied the developed concepts in different culture without any questions. Notwithstanding, there are bereft of research in collectivist culture and it has

thus been decided to conduct an exploratory study in order to clarify existing nature of work family conflict in Sri Lankan context. It thus helps to ensure adequate understanding of the investigating phenomenon and to provide lend support to mother lode concept derived from reviewed literature extant in the past. The objective of this research was twofold: one was designed to diagnose the nature of work family conflict and for portraying; other one is for dimension testing. Therefore, this research would exert meaningful interpretation to crystallise the concept associated with literature.

2. THEORETICAL UNDERPINNING

The concept of work family conflict emanated from role theory developed five decades ago (Kahn et al., 1964). In this theory, work and family conceptualized as role systems and the role process is an interaction between role performer (focal person) and role sender. The "simultaneous occurrence of two (or more) sets of pressures such that compliance with one would make more difficult compliance with the other" (Kahn et al., 1964, p.19) creates role conflict. Thus in the case of WFC inter role conflict arises when pressures from the work role are incompatible with the pressures arising from the family role and vice versa.

Based on this deep rooted idea, the most widely accepted definition of work family conflict was postulated by Greenhaus and Beutell (1985) as "a form of inter role conflict in which the role pressures from the work and family domains are mutually incompatible in some respects" (p.77). Therefore, the inter role conflict occurs when participation in one role consumes more resources (e.g., working long hours), which is incompatible with performance of another role (say leaving less time available for performing family role). Across many disciplines, the term 'work family conflict' is interchangeably denoted as work home interference (e.g., Geurts et al., 2003), work

family interference (e.g., Carlson, Kacmar, & Williams, 2000), and work non work interference (e.g., Dikkers et al., 2005).

Greenhaus and Beutell's (1985) scholarship was revolutionary in bringing three forms of work family conflict to light: time-based conflict, strain-based conflict, and behaviour-based conflict. Time-based conflict occurs because "time spent on activities within one role generally cannot be devoted to activities within another role" (Greenhaus & Beutell, 1985, p.77). It is the time interference on performing either work or family role, for example, working more than eight hours or working on more than five days might interfere with his/her ability to get things done at home. Time is therefore disproportionately spent on work related matters compared to family related matters. Strain-based conflict occurs when strain from one role makes it difficult to perform in another role. For example, anxiety and fatigue caused by strain from the work role might make it difficult to perform in a family role (Greenhaus & Buetell, 1985, p.80). The third form of WFC defined by Greenhaus and Buetall (1985) is behaviour-based conflict, in which "specific patterns of inrole behaviors may be incompatible with expectations regarding behavior in another role" (p.81).

All these forms of WFC have been developed from studies carried out in nations with individualist cultures, predominantly in Europe, Latin America and North America. However, studies in collectivist cultures have been very few. More recently, Shaffer, Joplin and Hsu (2011) have identified 49 research papers carried out in collectivist cultural nations in Asia. However, those studies have shortcomings and failed to confirm the extant forms of work family conflict. Thus, this study extends beyond all studies carried out in nations with collectivist cultures by investigating the extant forms of bidirectional WFC using a sample from Sri Lanka. This raises the question:

RQ: Are the three forms of work family conflict developed from research in individualistic cultures extant in Sri Lanka?

3. METHODS

3.1 Subjects and Sampling

As the overall purpose is in tune with diagnosing extant nature of work family interference, the best exploratory choice is the experience survey inter alia secondary data analysis and case studies. Experience survey is about selecting respondents (interviewees) who are experiencing problem in execution of work and family responsibilities. Input from experience respondents would become rich source in revealing the phenomenon to be investigated. Therefore, the success of study entirely depends on selection of experience respondents where they are able to articulate on a particular subject being inquired.

Sample has been drawn from Sri Lankan banking organisation. Taxonomies of the

banking organisation fell into Bank of Ceylon, People's Bank, National saving Bank, Commercial Bank and Seylan Bank. Each bank has many branches across many districts in Sri Lanka. A convenient sampling technique was used to select the banks (branches of the banking organisation) in compliance with the formal approval of the managers of the respective banks. Having had some discussion with a few employees, the potential respondents who experience work family conflict was purposively identified. Prior to the interview, consent for participating interview was obtained. Altogether, fifteen informants were selected for this study; made up with a total of two manager, five assistant managers, two senior assistant manager, executive manager, staff assistant, management trainees, multi duty assistant, bank assistant and cashier.

3.2 Instruments

Since work family conflict is well developed concepts in Western countries and limited studies evidence to Asian countries, researcher has employed semi structured interview that concur with intended purposes. Nonetheless, designed semistructure interview elicits extensive in depth answer to certain extent.

Semi-structured questions melded with open ended and closed ended questions. Open ended questions offered a better place to discuss interviewee's experience on concepts or themes inquiring. Interview questions were mainly explored to elucidate core theme of work family conflict

including, number of hours spending work, childcare and eldercare, causes of work to family conflict and family to work conflict, experience of work family interference, nature of support in work and family and work family friendly policies. It was the main responsibility of the researcher to control and guide the interview rather deviating from concept being studied. All interviews were conducted in Tamil language and then transcribed and finally translated into English by researcher himself who is native speaker with significant knowledge of the context and confirmed the results by using backward translation technique.

3.3 Mode of Analysis

Thematic content analysis has been employed to analysis the transcripts. "A theme refers to a specific pattern found in the data in which one is interested" (Joffe & Yardley, 2004, p.57). Based on the strong theoretical ideas, themes are brought to the data in coding and thus, the coding is to be said "Deductive coding". Nonetheless, the nature of the coding can be conjoined with "manifest" and "latent" content of data using NVivo 10. Dependability and validity of the data (leading questions and cumulative validation) were confirmed.

3.4 Results and Discussion

This study made up of fifteen key informants where nine of them were male and remaining six informants were female. They were unique informants per se emanated from

varying age groups, types of banking organisations, position, experience, educational qualification, average monthly income and gender. The highest number of informants falls between 36-45 age group, followed by an equal (four) number of informants from 36-35 and over 45 age groups and 2 informants were from 18-25 years. Different nature of positions were observed among informants including: Manager, Executive Manager, Senior Assistant Manager, Assistant Manager, Staff Assistant, Management trainee, Bank Assistant, Cashier and Multi Duty Assistant, prevalent among different types of banking organizations and years of experience were between 3 years to 20 years.

3.5 Time interference between work and family

On the basis of informants enlightening, time consumption can apparently be split into family and work. In case of family, informants explained that they are expending time mostly in doing household chores, childcare and eldercare. In a similar vein, competing time demand reported needing for work domain is to accomplish their assigned tasks at work and work travelling. Spreading time between both domains have been coded and visualised with the help of NVivo, in figure 1



Figure 1: Time demand between family and Work

Time spend on family encompasses a wide range of family activities demarcated by family boundary per se. Family activities were grouped into time spend on household chores, childcare and eldercare. Informants had been asked how much of time they have spent on family between these three competing demand and also been inquired about their experience on performance of family role by virtue of participation in work role due to the time concerned.

Informants perform a wide variety of household chores in day to day life and a list of household chores culled from interview transcripts includes: Cooking, cleaning, teaching children, shopping, laundering, tiding up, washing, ironing, sweeping, taking children school, feeding pets, vehicle maintenance, watering plant, and gardening. Most of the informants expounded that the time spent on work inhibits doing household chores. Informants are working long hours, struggling to find time for spending with family and leaving most of the household chore needs doing today is for tomorrow. One of the key informants elucidated his view about how the matter of time interferences with household chores, the extracted verbatim quote is as

> "I haven't got enough time for doing household chores, and for looking after children. Most of the tasks at home would
usually be left or planning to do next day. It's common if both are working, everything doesn't look like the way it looks like to be. I feel I let my family down due to the long hours spent on work" (Interviewee 2)

One of the senior assistant manager explained how time spent on work interferences with household chores, quoted as

> ".....I have got too much responsibility at work. I work roughly 49 hours per week. I really understand it is too long hours but I need to be by job itself. So hunting time for doing household chores is like a wild goose chase. I hardly find time to do household chores because of many hours spent on work responsibilities. I ain't really supporting doing household chores......" (Interviewee 10)

Most of the informants were in discord with spending time by working overtime. One of the informants clearly expounded that overtime is not needed, but I need the time to spend with family and the verbatim quote is

> "I'm working full time and I usually leave my home at 8 am in mornings and I get back home nearly at 5.30 pm .I work on Saturdays as well..... It is much difficult to do all household chores every day. I need time to spend with family. I

am oft-required to work overtime but actually I do not want to. My wife is also working. Our income is enough..." (Interviewee 7)

In overall, informants are struggling for doing household chores due to the time spend on work. In most of the cases, informants are compulsory required to work overtime regardless of their willingness.

Albeit extended family structure would support for childcare, parents are responsible for childcare. The time available for childcare with competing demand of work is challenging, needs to be balanced. Childcare is appropriate and needed for child who is too young to look after themselves. One of the another key informant cherished his memory in child caring, vignette of verbatim quote is

> "I don't really have much time to spend with my son, however, he has grown up and old enough to look after himself. Time for childcare used to be big challenge when he was too little years ago..." (Interviewee 3)

The performance of the family responsibilities are more time sensitive, require many hours. Most of the informant said they have problems with finding time for doing tasks at work. It was noted the difficulties of doing all tasks at work in normal office hours. We needs to stay on bank after finishing working hours but family responsibilities are held them back. The nature of situation was explained by one of the informants as

"I've got too much responsibility at family. ..cleaning, shopping, taking children to school.. all tasks take more time. I am a senior assistant manager, I should also take more work responsibilities at bank, want to spend more hours, but I am really struggling due to family involvement." (Interviewee 9)

It can thus be said that time spent at family mutually interference with work. Informants expressed that they are facing lots of problem in doing tasks at work due to family involvement.

Strain interference between work and family

Another important dimension of work family interference is found to be related to strain nature. Strain based conflict is about the interferences in doing tasks at work due to the family involvement or in doing tasks at family due to the work participation. In this section, the wording "strain" "laziness" and "tiredness" were pervaded among verbatim quotes. All those terms inheres in strain based nature of conflict between work and family. One of the key informants unequivocally articulated how doing tasks at work interfere with tasks at family as:

> "I am really got tired when I get home from work. It is difficult to do household chores straight away from work. I often feel I

need a rest after coming home from work" (Interviewee 1)

In a similar vein, strain originated at family can also have impacted on the performance of work responsibilities. Employees often get tired and strained in consequence of family responsibilities. One of the informants clearly expressed her experience about how family responsibilities interference with work, supported by verbatim quote is as:

> "Iam really worn out when Iget work from home. I do lots of household chores every day and getting my children ready for school. Family responsibilities interfere in doing work responsibilities. So I can't perform well on my job" (Interviewee 8)

In overall, most of the informants expatiate on strain based work family conflict and that evidenced to be originated from both work and family, found across many transcripts, view supported by several work family studies.

Behaviour interference between work and family

Third important dimension of work family interference is found to be related to behavioural nature. Based on the literature, behavioural nature in terms of problems solving pattern and different expectation of behaviour at home and work can be found to be causing conflict on mutually opposite domain. Notwithstanding, there was a flimsy evidence on this aspect of work and family interference among the informants. One of the informants said that nothing about the behavioural problem between both domains, verbatim quotes is as:

> "I don't think there is a need for behavioural adjustment between work and home. We treat, be treated as family members in workplace. We work as team and have a complete openness among us" (Interviewee 12)

Another informant expounded that family behaviour in execution of family responsibilities does not seem to problematic penetration into work. She claimed that

> "I don't think the way I behave at family affects the workplace. We are working together happily, we respect each other. You know the way I am speaking to is the way I behave at work and home" (Interviewee 11)

One of the key informant working as a multi duty assistant clearly refuted the behavioural nature of interference, and shared his view as

> "I am at the lowest level in the bank. Almost everyone is my boss. I don't feel any behavioural issue in my experience. I observed the way we ask our children to get things done is virtually similar way supervisors ask me to do things.

Friendly life in both places, however, I know I need to be more serious at working place. Need to be completed given task in time" (Interviewee 14)

It was the options that the most of the interviewees interviewed that behavioural nature seemed to be less problematic in comparison with other dimensions. In summary, flimsy evidence has been found to be associated with behavioural based work family interferences. However, this concept further needs to be explored.

A seminal study of Greenhaus and Beutell (1985) brought to the three dimension of work family conflict: Time based work family conflict, strained based work family conflict and behavioural based work family Most of the work family conflict. interference factors were expounded by informants akin to what identified by those researchers in situ. More precisely, time spent on work, work load, long hours, too much responsibility, and overtime absorbed into time based work family conflict. In a similar vein, stress, tiredness and feeling of laziness, and work place pressure absorbed into strain based work family conflict. Behavioural based work family conflict factors have not been obviously elicited in all interviews, nonetheless, it can be supposed that work environment and culture might contribute to be beset such conflict. Notwithstanding, there was a conundrum about those remaining unidentified factors

reflected in interview: long work travel, rows with colleagues and uneasiness at work, community involvement, engaging with social events, conflicts at work, thinking of work and work plan and worries at work. Of them, community involvement and engaging with social events were not directly or indirectly connected with work and family interference domains, and thus these factors have been noticed outside of work and family boundary and thence they treated as null and void. Long work travel has been recognised as partly related to work and partly to home. However, long hours travel is the factors taken place outside of the work and family domain. It is thus supposed to be treated as controlling factor of work family conflict. Remaining factors, viz., rows with colleagues and uneasiness at work, conflicts at work, thinking of work and work plan and worries at work seemed to be impetus for psychological related aspect. In 2003, Carlson and Frone proposed psychological aspects of work family nature in individualist country. In a similar vein, Spector, et al. (2007) connoted that there are unidentified factor influences in work family conflict in collectivist cultural nation. Therefore, in line with Carlson and Frone (2003) and Spector, et al. (2007), it can be presumed to be impetus for psychological related aspect.

4. CONCLUSION

There is sufficient evidence to lend support existence of work family conflict in explored area and incubate a viable plan for continuing extended research in this field. Majority of studies conducted in collectivistic cultures have applied and tested the concepts developed in individualistic culture without any questions. This exploratory is unique per se, designed to elicit employees' opinion about work family interference. This research was a great success, and informants clearly articulated their view about work family interference. Proposed dimension in a collectivist culture was also been refutably confirmed, thence to guide quantitative study encompassing large amount of sample which facilitate findings generalisation.

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REPATRIATION ADJUSTMENT OF ACADEMICS: IS CO-WORKER SUPPORT A MATTER OF INFLUENCE

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ABSTRACT

Over the last few decades, the literature on corporate repatriation has stressed the importance of effective management of repatriation and has highlighted the fact that unsuccessful management of repatriation leads to employees suffering from problems of adjustment which result in stress and loss of motivation at work. Literature highlights that coworker support help employees to get rid of their stress and establish certainty in an uncertain environment. However, co-workers' influence on repatriation adjustment has apparently been neither discussed nor empirically tested among academic repatriates so far. Given that, in this study researcher aims to find out the impact of academic repatriates' perceived co-worker support on repatriation adjustment. Data was collected from 102 Sri Lankan academic repatriates who had been attached to a foreign university or academic institution for more than one-year, had been involved in academic activities, and, at the survey date, had returned within the past four years. The data was analyzed using appropriate statistical tools. This study found that repatriates' perceived co-worker support had a positive impact on repatriation adjustment. Further, this study found repatriates' personal and situational variables has an influence on co-worker support but not on adjustment. The overall findings underline the essential role of co-worker in the adjustment process of academic repatriates. An in-depth discussion of findings, contributions, limitations, and implications for further research are presented.

Keywords: Repatriation, Adjustment, Co-worker support, Academics

1. INTRODUCTION

In recent years, an increasing number of academics view the international experience as an opportunity for career development and take steps to acquire such experience with the belief that this will increase their career prospects in their institution as well as in the global job market (Richardson & Zikic, 2007). Also, universities consider providing an expatriate experience to academics is a long-term investment. Many universities invest large amounts of money to provide with international experience and to develop their talent pool.

In Sri Lanka, government and universities are very keen to upgrade their universities to reach a high international standard and meet national needs. Most importantly, the Sri Lankan government has attempted to increase the World University rankings of Sri Lankan universities. Sri Lankan universities' rankings were within the range from the 2092 (University of Colombo) to 15,362 (Uva Wellassa University) according to Webometrics 2016. In an attempt to get universities to reach international recognition and make Sri Lanka a global knowledge hub in Asia, the Sri Lankan government has continued to invest much money in the development of human capital (HETC, 2013; Samaranayake, 2011).

In Sri Lanka, Academics are encouraged by the government to gain international experience in research and teaching. The Sri Lankan government provides financial assistance for academics who want to engage in academic activities offshore for a specified period. Also, many international scholarships such as the Commonwealth Scholarship, the Australian Leadership Award and awards from the South Asian Association for Regional Cooperation (SAARC) are available for Sri Lankan academics who wish to pursue their research and higher studies overseas. Furthermore, a World Bank assisted project; "Higher Education for the Twenty-first Century" (HETC) also focuses on strengthening human resources in the higher education system by providing international experience to university academics (HETC, 2013). International experience is highly respected in Sri Lankan universities and is perceived as an opportunity to gain foreign exposure and experience. Perceived societal status increases with international experience and thus, in addition to the government motivation, individuals are themselves motivated to gain international experience.

In Sri Lanka, before academics leave the country, they need to sign an agreement with their university confirming that they will return to their home organization and serve for a particular period back at home university. Sri Lankan expatriates have strong family ties and are sentimental about their home country (Anas & Wickremasinghe, 2010). Because of the bond agreement and family attachment, a reasonable number of academics return to their home countries after staying considerable time in abroad are called as repatriates.

Over the last few decades, the literature on corporate repatriation has stressed the importance of efficient management of repatriation, and has highlighted the fact that unsuccessful management of repatriation leads to employees suffering from problems of adjustment which result in stress and loss of motivation at work (Black, Gregersen, & Mendenhall, 1992; Suutari & Brewster, 2003). This situation leads to adverse consequences, for example, high turnover and low performance were observed among repatriates. Unsuccessful repatriation adjustment hampers the expectations of both organization and repatriates (Oddou, Osland, & Blakeney, 2008). An ineffective repatriation management is a potential hurdle for retaining top talent and making use of this in the organization. This, in turn, hampers the successful process of internationalization of a university and its competitive position. Repatriates' unsatisfactory adjustment to their home organization can damage their personal and career development expectations.

For both an organization and repatriates, successful management of repatriation has become a challenge (Adler, 1981; Jassawalla, Connelly, & Slojkowski, 2004; Shilling, 1993; Solomon, 1995). During their overseas stay, expatriates are most likely to change, and thus, upon repatriation they may feel they are in a new place, feel uncomfortable, and experience uncertainty (Black et al., 1992; Stroh et al., 2000). To feel comfortable, have a sense of certainty, and establish their position in the organization, repatriates need to socialize themselves to understand the prevailing situation and establish their position in their home organization. During the organizational socialization process, individuals (whether newcomers or repatriates) learn organizational values, formal and informal norms, politics, expected behaviour and essential social skills needed to be an accepted member of the organization (Louis, 1980b). This process helps individuals to adapt and integrate with the new organizational environment (Bauer, Bodner, Erdogan, Truxillo, & Tucker, 2007; Chao et al., 1994; Cooper-Thomas & Anderson, 2006).

The role of co-workers' social support has been seen as relevant to the socialization process. Theories such as work role transition theory (Nicholson, 1984), surprise and sense-making theory (Louis, 1980b), organizational socialization theory (Van Maanen & Schein, 1979) and socialization resource theory (Saks & Gruman, 2012) underline the role of social support from coworkers and supervisors in repatriates' adjustment to the new environment. Coworker support can minimize the adverse psychological effects of ongoing life strain and stressful events. In contrast to this need, the literature on repatriation of corporate employees speaks about the negative perception and unsupportive behaviour of repatriates' peers (Adler, 1981; Adler & Gundersen, 2008). However, co-workers' influence on repatriation adjustment has apparently been neither discussed nor empirically tested among academic repatriates so far. Given that, in this study, researcher intended to find out does academic repatriates' perceived co-worker support predict repatriation adjustment? If yes, why and to what extent does co-worker support facilitate repatriation adjustment? If not, why?

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Repatriation is a transition from a host country to one's home country after living overseas for a significant period (Adler, 1981; O'Sullivan 2002). Repatriation of different groups of people, for example, students and peace corps volunteers, has been discussed in the literature many decades ago. Since the 1970s literature has been talking about repatriation of corporate employees (Adler 1981; Cagney, 1975; Howard, 1974). Research on repatriation of corporate employees has been developed from its research roots in domestic relocation and expatriation literature; theory on repatriation was developed based on the work of adjustment theorists of domestic relocation (Dawis & Lofquist, 1984; Nicholson 1984) and expatriation (Black, Mendenhall & Oddou, 1991).

Repatriation adjustment is a process of readjusting into the home context, having stayed overseas for a significant period (Adler, 1981; Allen & Tavares, 1998). The process of repatriation adjustment continues until repatriates adjust adequately with different aspects of their home context (Sussman, 2000). In the process of repatriation adjustment repatriates attempt to reduce uncertainty and achieve a degree of fit with the different aspects of the home context (Black et al., 1992). Better adjusted repatriates feel acceptance, well-being, and a psychological comfort in the home context and better-fitted to the context (Adler, 1981; Black et al., 1992).

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Repartees realize mismatch between repatriates' repatriation expectations and the reality they experience upon their repatriation (Gregersen & Black, 1995; Hurn, 1999; Stroh, 1995). This mismatch can be due to mainly the failure of expatriates to follow changes in the home organization during their absence and changes within expatriates and their failure to realize the changes occurring within themselves (Baughn, 1995; Hurn, 1999; Jassawalla et al., 2004; Martin & Harrell, 1996; Stroh, 1998).

The expatriation context provided them with different stimuli that forced them to change themselves (Kohonen, 2004). The new alterations change their perception of themselves. In other words, expatriates

change their identity (Baughn, 1995; Hall, 1968; Kohonen, 2004, 2008; Weigert, 1986) which can influence their attitudes, behavior, and perceptions. At the same time, the home organization can undergo substantial changes during their absence (Baughn, 1995; Jassawalla et al., 2004; Stroh, 1998). Changes are likely to take place in the home organization in the form of structural and policy changes, as well as changes in employees' positions; employees may have been promoted or a new member may have replaced a previous employee. These changes may alter the power structure of the informal organization. Repatriates fail to follow changes in the home organization and their failure to realize the changes occurring within themselves during their absence (Baughn, 1995; Hurn, 1999; Jassawalla et al., 2004; Martin & Harrell, 1996; Stroh, 1998). Therefore, repatriates see the home context as unfamiliar, and they need to readjust and settle into that context (Adler, 1981; Allen & Tavares, 1998; Lee & Liu, 2007). Repatriates found re-adjustment to their home context was more painful and challenging than they expected and their expatriation adjustment (Adler, 1981; Wang, 1997). Repatriates experience psychological discomfort, alienation, uncertainties, and loss of control (Black et al., 1992; Vidal, Valle, & Aragón, 2007).

2.1 Coworker support and adjustment

Co-workers are a vital part of the organization, and they define the social environment at work (Chiaburu & Harrison,

2008). Co-workers can be concerned about the well-being of an employee as well as help in solving job-related problems (Ducharme, 2000). Co-workers provide supports such as task directing, mentoring, and a friendly environment. Particularly, when employees are in an uncertain environment co-worker can be an important source of resources (Chiaburu & Harrison, 2008); they can provide necessary information about how to overcome the uncertainty and make sense of the environment. For example, when repatriates are unable to understand the workplace behavior and predict expected behavior, coworkers can provide information about how the formal and informal organization works and exactly what behaviors are expected from new employees. Such information enables repatriates to reduce uncertainty and make sense of the environment. Ducharme and Martin (2000) highlighted two types of co-worker support: affective support and instrumental support.

Repatriates returning to their home organization where they had been working previously need to undergo a socialization (re-socialization) process which includes learning the process and system, and readopting the organization's formal and informal norms and values (Oddou et al., 2008). Through the socialization process repatriates try to understand and acquire the behaviour and attitudes of the organizational members, and become an accepted member of the group. Repatriates take a time to socialize to the norms, values and customs of their home country culture (Sussman, 2000). The literature suggests that this process is usually painful and that support from others can reduce this pain, but that the attitudes and behaviors of organizational members may also make this process very painful and difficult.

In the repatriation context, repatriate experience co-workers' unsupportive behaviour (Adler, 1981; Adler & Gundersen, 2008). Repatriates were perceived wrongly or negatively by their co-worker and were treated by them accordingly. Co-workers were not ready to accept repatriates' new identity, and undervalued their overseas experience (Adler, 1981). In Japan, repatriates were viewed as external members and given a new negative title "kokusaijin" an international person - (Hurn, 1999) which infers that the repatriates can be treated as outside members. A study by Gama and Pedersen (1977) among Brazilian returnees who returned from their graduate studies in the US found that returnees (university professors) experienced peers' professional jealousy. Peers may fear the repatriates as they feel that these repatriates have bettered themselves and their presence may hinder their own progress or threaten their existing status. Thus they are not ready to accept them. This behavioral issue is common in the organizational setting generally, but repatriates perceive it as a severe problem as they experience various adjustment issues upon their repatriation (Howard, 1974) and in turn, this may increases their difficulties in the process of adjustment.

In universities, academics are working together with least hierarchy and the greatest trust, and working in a team on projects. A senior academic is more likely to lead projects and junior academics work as a team and play different roles on a project (Baruch & Hall, 2004). Thus, the support of co-workers has been crucial for academic repatriates to better understand the work, work environment, and get rid of repatriation stress and challenges. Hence, in line with the existing literature on repatriation and organizational socialization theory, researcher presume that academic repatriates' perceived co-worker support can enable them to adjust to their repatriation better.

 H_i: Academic repatriates' perceived coworker support has a positive and significant impact on repatriation adjustment.

Co-worker may offer their support in many ways. Co-workers can help in solving their problems and concern their well being. Also, Co-workers provide supports such as task directing, mentoring and create a supportive climate. Particularly, when repatriates are in an uncertain environment co-worker may help to better understand the environment and to get rid of repatriates' stress. Ducharme and Martin (2000) highlighted two types of co-worker support: affective support and instrumental support. Affective support related to co-workers' care about other employees and make them feel that they are close with them. The instrumental support is related to co-workers support in task-related aspects such as be helpful in getting job done and providing useful advice on job-related problems. Therefore, researcher attempt to develop and test the following three hypotheses for two reasons: the first is to better understand the effect of each type of co-worker support and the second is to highlight if affective or instrumental support is more effective in the context of repatriation adjustment of academics.

- H_{1a}. Academic repatriates' perceived affective co-worker support positively relates to repatriation adjustment.
- H_{Ib} . Academic repatriates' perceived instrumental co-worker support positively relates to repatriation adjustment.
- H_{1e} . Academic repatriates who perceive affective co-worker supports are better adjust to their repatriation than who perceive instrumental co-worker support.

3. METHODOLOGY

3.1 Sample and Procedures

This study focuses on Sri Lankan academic repatriates who had been attached to a foreign university or academic institution for more than one-year, had been involved in academic activities (teaching/research/ higher studies), and, at the survey date, had returned within the past four years. This study is a cross-sectional study using questionnaires.150 questionnaires were distributed to respondents by the researcher directly and through researcher's friends. Each questionnaire accompanied by a cover letter assuring confidentiality. The researcher sent reminders to respondents by mail, and ultimately researcher received 113 responses which were 75% of issued questionnaires. This response rate is higher than the average rate of 52.5% in organizational research (Baruch & Holton, 2008). 11 questionnaires were rejected: five were rejected because of more than 15% missing values and six were rejected as respondents have less than one-year overseas experience. Ultimately this study used 102 respondents.

3.2 Respondents' profile

Table 1 shows respondents' profile. Male participants accounted for 54 (53%) of the respondents and female for 48 (47%). 85 repatriates, accounting for 84%, were married. In terms of previous overseas experience, although 29 (28%) respondents had at least one previous overseas experience, 73 (72%) respondents had no such experience.

Respondent's Profile	Numb	Number (percentage)			
Gender	Male	54	(53)		
	Female	48	(47)		
Marital tutus	Single	17	16		
	Married	85	84		
Previous overseas	Yes	29	28		
experiences	No	73	72		
	Minimum	Maxin	num	Mean	Std.deviation
Age	29	58		41.4 years	7.0
Working experience	3	23		11.3 years	5.3
Expatriation experience	12	73		41.8 months	13.2
Repatriation experiences	.50	24		12.6 months	7.7

Table 1: Respondents' profile

Note: Std.deviation = Standard deviation

In terms of age and working experience of respondents, their average age and working experience were 41.4 years and 11.3 years respectively, with a standard deviation of 7 years and 5.3 years respectively. Respondents' expatriation and repatriation experience were 41.8 months and 12.6 months respectively, with a standard deviation of 13.2 and 7.7 months respectively.

3.3 Variables

Co-worker support

Eight social support (co-worker support) items developed by Ducharme and Martin (2000) were included in the survey. This scale had an alpha of .78. These items focus on employees' perceptions of co-workers' support at the stressful situation in the organization. This instrument measured two types of co-worker support: affective support and instrumental support. The wording of the original items was modified without changing the meaning of the statements to make the respondents identify personally with the question.

Adjustment

Repatriation adjustment is a process of readjusting into the home context, having stayed overseas for a significant period (Adler, 1981; Allen & Tavares, 1998). Better adjusted repatriates feel acceptance, wellbeing, and a psychological comfort in the organization context and better-fitted to the context (Adler, 1981; Black et al., 1992). To measure repatriates' adjustment researcher developed 5 item with Likert scale.

Demographic and situational variables

In addition to the above two research constructs, seven situational and personal variables were measured to describe the research sample. These variables were: gender, marital status, pervious overseas experience, age, working experience, overseas experience and repatriation experience

4. DATA ANALYSIS PROCEDURES

First, the survey data were entered into a Microsoft Excel sheet and then transferred to SPSS 20 for data cleaning and analysis. First, researcher performed exploratory factor analysis (EFA) to (a) identify whether the same factors as found before were replicated, or whether new factors emerged than those anticipated in this study; (b) determine whether the measures included in the scales reasonably measured the construct in this study context. Further, T-test, correlation, and regression analysis were performed to analysis the data and test the hypothesis.

As the proposed survey was self-report and cross-sectional it may be vulnerable to common method variance (CMV) (Podsakoff & Organ, 1986). Researcher took the necessary steps to minimize CMV issues in the survey at both the design stage and the analysis stage as suggested by Podsakoff et al. (2003).

5. DATA ANALYSIS AND RESULTS

5.1 Analysis And Results

Before conducting the analysis the accuracy of the data was checked; no values outside the specified range were found, means standard deviations and correlations appeared to be reasonable. Further, questionnaire non-responsive rate, item nonresponse rate, distribution of data and outliers were taken into account and treated properly.

Exploratory factor analysis (EFA) approach The researcher used the Principal axis factoring (PAF approach). PAF was performed with eigenvalues >1 extraction to identify the number of factors that emerged from the empirical data (Brown, 2006; Fabriger et al., 1999; Raubenheimer, 2004). The following five criteria were followed to identify the factor structure: (i) Bartlett's test of sphericity (p<0.05); (ii) the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy (>.6); (iii) factor loadings (>.4)(cross loading also analyzed to provide theoretical and empirical lights); (iv) eigenvalues (>1); and (v) Cronbach's alpha values (>.7).

Table	2:	Exploratory	factor	analysis
(EFA)	app	roach		

Factor	Items	Co-worker support	Adjustment
Co-worker	CWS-1	.70	.26
support	CWS-2	.73	.31
	CWS-3	.78	.14
	CWS-4	.75	.28
	CWS-5	.79	.20
	CWS-6	.81	.19
	CWS-7	.84	.16
	CWS-8	.73	.18
Adjustment	Adj-1	.20	.86
	Adj -2	.23	.88
	Adj -3	.25	.90
	Adj -4	.31	.70
	Adj -5	.13	.72
Eigenvalues	7.1 2.3		
Cronbach's a	lpha	.93	.92
Variance exp Bartlett's Tes		68%, KMO, .84	

The results showed that two factors emerged with eigen values greater than 1. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy was .84, Bartlett's Test of Sphericity p<0.05. Loadings of all variables with related factors were greater than .70, and no cross-loadings more than .32 were found. Cronbach's alpha value was satisfactory for each factor, at .93 and .92 for co-worker support and adjustment respectively.

It was expected that co-worker support as two factors: an affective support and instrumental support, but EFA supported that co-worker support as one factor. Though, Ducharme and Martin's (2000) divided co-worker support as two component the item included in their survey were quite similar, and respondents of the present study did not find the differences affective and instrumental between component of co-worker support in this study context. Further, when researcher fixed the model with three factors (adjustment, affective support and instrumental support) the EFA result did not satisfy most of the evaluation criteria. Based on the EFA results, the researcher decided to consider co-worker support as one factor in

this study. As in this study context, coworker support emerged as one factor the researcher was unable to test the rest of the three proposed hypothesis (H1a, H1b and H1c).

The EFA confirmed that perceived coworker support is one factor, no new factors emerged than those anticipated in this study; and the measures included in the scales reasonably measured the construct in this study context.

To test if respondents' personal and situational variables' influence on the independent and dependent variable, t-test (for categorical variables) and correlation analysis were performed and the results were tabulated in the table below. A T-test was performed to identify if there is significant differences in adjustment and co-worker support between respondents' gender and marital status. Correlation was performed to identify if there is any significant relationship between respondents' variables (age, working expense, expatriation experience and repatriation experience) and research variables (co-worker support and adjustment)

Respondents' Personal		Co-worker support		Adjustment			
variable		Mean	Std	Sig. 95%	Mean	Std	Sig
Gender	Male	4.92	1.04		3.54	1.23	
	Female	5.40	1.05	Sig.	4.09	1.57	Not Sig
Marital	Single	5.54	.71		3.38	1.69	
status	Married	5.04	1.12	Sig.	3.90	1.34	Not Sig
Previous	Yes	5.44	.78		4.11	1.43	
overseas experience	No	4.98	1.17	Sig	3.63	1.39	Not Sig

Table 3: Respondents'	profile and	research variables

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T-test result indicates that there are no significant differences in perceived coworker support between male and female, married and unmarried, as well as repatriates with and without previous overseas experience. But, significant differences were not observed on adjustment between male and female, married and unmarried as well as repatriates with and without previous overseas experience.

According the correlation analysis (Table 4) no significant relationships were observed between repatriates personal variables (age, working experience, period of overseas assignment and time returned) and coworker support or adjustment.

Table 4: Relationship betweenrespondents' profile and researchvariables

Respondents' profile	Co-worker support	Adjustment
Age	062	038
working experience at home University	101	.007
Period of overseas assignment	188	.081
Time since returned	.048	.026

The t-test and correlation analysis results showed that the repatriation adjustment was not influenced by repatriates personal and situational variables. In other words, the degree of repatriation adjustment is influenced by some variables other than the repatriate's personal and situational variables.

5.2 Hypothesis testing

To test the impact of co-worker support on

adjustment, researcher performed regression analysis. Adjustment and coworker support were entered as dependent and independent variables respectively. The results showed that co-worker support have a positive impact (486**) on repatriation adjustment. The results further explained that coworker support explains 24% (R^2 .236) of the variance of the model.

In this study researcher proposed that repatriates' perceived co-worker support positively predicted their repatriation adjustment. The results show that coworker support was a significant predictor (=

0.486, p < 0.05) of repatriation adjustment. It suggests that co-worker support during the repatriation help repatriates adjust to their repatriation better, and thus the hypothesis supported for academic repatriates.

6. DISCUSSION AND CONCLUSION

In line with the proposed hypothesis, results found that repatriates who perceive high coworker support will adjust to their repatriation better. This finding is consistent with existing literature. Repatriation creates psychological discomfort and high levels of stress (Black, 1988; Nicholson, 1984; Suss man, 2001). According to organizational socialization theory co-workers' support is a valuable resource that facilitates repatriation adjustment by enabling repatriates to learn the repatriation context, make sense of the situation, and reduce uncertainty. Scholars consistently suggested that supportive relationships were the resources that facilitate employees to deal with stressful events (Bakker & Demerouti, 2007; Saks & Gruman, 2012; Viswesvaran et al., 1999). Similar to this idea, in a study among insurance company workers Karademas (2006) found that social support increases workers' psychological capital (optimism and self-efficacy). Consistent with these views, my results suggest that when repatriates are supported by their co-workers they are able to adjust better.

This finding suggests that repatriates expect their co-workers need to be close, and really care about them (Cohen & Wills, 1985). Also, they expect co-workers' assistance in work-related issues (Caplan et al., 1975). However, literature on corporate repatriates highlights co-workers were unsupportive and were not ready to accept repatriates' new identity (behaviors), were reluctant to value their overseas experience (Adler & Gundersen, 2008), and treated them as external members (Hurn, 1999). For this reason, the role of the organization becomes more necessary to create an organizational climate that motivates existing employees to be supportive to repatriating colleges instead of being unsupportive.

When co-workers are unsupportive to repatriates, in the first stage, organizations need to understand the causes of co-workers' unsupportive behavior towards repatriates. If co-workers not providing support to repatriates because they feel repatriates are a threat to their present status and their future career advancement in the organization, HR need to make sure, if possible, that repatriates' arrival never affects existing employees' career advancement opportunities. If co-workers' lack of support is due to misunderstanding of repatriates' behavior and attitudes, organizations need to take the necessary steps to explain to existing employees the fact that repatriates are not the same person as they were when they left, and that changes in attitudes and behavior in repatriates are a natural part of a long-term overseas stay.

Moreover, this study contributes to the repatriation literature by examining the impact of co-worker support on repatriation adjustment of academics, and by providing initial empirical evidence of the impact of co-worker support on repatriation adjustment with the academic repatriates' sample.

In addition to answering the research questions, my research has put forward new questions in need of further investigation. This study found that personal and situational variables influence perceived coworker support; therefore, there is a need for further research to understand the factors determining repatriates perceived co-worker support to facilitate repatriates to better adjust their repatriation. Further to understand the complex nature of the repatriation adjustment all related variables, for example, organization support, repatriates' initiatives and cultural adaptation need to be included into the model and analyzed simultaneously using SEM. Also, adopting longitudinal approach in repatriation adjustment research facilitate to better understand the nature of repatriation and its predictor.

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 Table 2.1: Direction of Abnormal Returns

 (ARs) on Day 0 of Overall Sample

Direction	Number	%
Positive	29	43
Negative	38	57
Total	67	100

Source: CSE's C-D(2007)

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Figure 2.1: Path Model

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