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ABOUT JOURNAL

Introduction
Journal of Business and Social Review in Emerging Economies ISSN: 2519-089X; Online: 2519-0326 is a bi-annual research journal published by Center for Sustainability Research and Consultancy Pakistan. The journal is independently managed by the editorial board comprising of distinguished research scholars from eminent universities and research institutes. The journal aims to cover topics and issues in various sub-areas of business, social and behavioral sciences in context of emerging and developing economies. Purpose is to highlight the theoretical and practical issues faced by businesses and society in these countries. The journal specially welcomes submissions which cover the topical areas related to sustainable business and society in emerging and developing economies.

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The Relationship between Organizational Communication and Employees Productivity with New Dimensions of Effective Communication Flow

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ABSTRACT

Effective organizational communication can lead organization in a successful way, only if exists. Without proper information and planning any deliberated decision cannot occur. There is a vast literature on organizational communication and productivity of employees. However this research looks over the influence of effectiveness of internal communication on employees' productivity. The core concentration in this study is level of communication in organization and how employees perceive communication, and what are the effects of internal communication on their work capability. The focus of this study is on the relation of employees’ efficiency in organizational communication with the support of effective communication, as compare to previous study that only concentrated on organizational communication and productivity. Therefore after recognizing the effectiveness of communication the employee’s productivity flourishes in organizational communication. Flow of effective communication in organizations develops the strong bonding between staff and management, then employees get trusted, that make them more productive.

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1. Introduction

Communication is vital factor in the attainment of all organizational goals. As listed by (Blom 2000) normally conversations have more abbreviations and assume that anyone can cognize and follow it properly. Those organizations who distinguish them-selves are well aware of their structure and they know about communication effectiveness (Muller, Bezuidenhout & Jooste 2006:299; Trenholm 2011:202)

Every organizations developed their departments and improve their work regularly. Then organizations required innovatory ethics in their management to assure productivity in every situation, either in a good time or difficult time. For a successful organization internall communication plays a very important role, as effective internal communication effects on employee’s productivity and the behavior of organization

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(Welch & Jackson, 2007, p. 177). In organization communication is used to communicate goals and strategies at a vertical and horizontal level of management. Because of healthy communication at all level in organization, everyone updated about their work related goals. Consequently development manners in organizational has been arranged because of communicational practice (Hargie et al., 2002; Azhar, 2006). Communication skills and enhanced information resolves organizational complications Vivien and Thompson, (2000); Igbaria and Guimaraes, (1999); Kurland and Bailey, (1999). The role of higher management in developing effective internal communication is very crucial in employees, how they communicate then and improve productivity of them, as employees’ satisfaction in communication is very much important for organizational development. Describing the organizational communication approach can played a convenient role by communication effectiveness (Hargie et al., 2002). Suppose that the communication is lacking in any organization, not any organization can grow or even endure Van Ruler and De Lange (2003:145). Organisations are defines by the communication they ensure. Tourish and Hargie (1998:53) highlight the fact that effectiveness of internal organizational communication impact vigorous in organization development. Because in uncertain situation those organizations who has effective communications strategy achieve maximum results with minimum damage, other than those who had no such planning regarding communication effectiveness (Tourish & Hargie, 1998; Sliburyte, 2004; Gagnon, Jansen & Michael, 2008). Organizations cannot achieve the accountability of strategic alignment with the lacking of communication effectiveness and staffs commitment. Employees fulfil their job duties and also accomplish organizational goals with the help of effective communication. Internal communication is usually depends on organizational behavior. According to (Thomson & Hecker, 2000, p. 53) organizations are capable to maximize their skills to attain best progress and profit through their employees, but they generally fail because of lacking in effective communication. On the other hand Croft & Dalton (2003, p. 60-61) also mention that organizations can achieve their goal with the help of effective internal communication. Because organizations need success with their higher customers, same as internal targets can be able to achieve by their internal customer, and they are their own employees’. To build a strong bounding with employees is needed to listen then and communicate the properly. It means for effective communication is required a tow-way communication, not as vertical one way communication. Every organization has to make sure to increase quality of internal communication functions for attaining goals Welch & Jackson (2007), Thomson & Hecker (2000) and Dalton (2003). Effective internal communication may shakes on every level of organization individually and at group level and that leads organization in improvement. Management play a very significance part in communication at vertical and horizontal level that impact on business objectives. Therefor communication in organization cannot be only the one way.

According to Quirke (1996, p. 68) development in effective internal communication is very up-to-date subject in many organizations. According to him majority of the organizations familiar with the requirement of communication within the staff, however importance and role of communication are quiet not appreciative in the organizations. Organizations need more communication than before. Most of the time staff is blindly working and they don’t know what the goals of their organizations are attaining (Quirke, 1996, p. 68), as employees are less aware of communications and its role in the organizations, this study need more focus. Because more the communication will be effective organizations can made more focus on perfection and resolves issues in better way.

2. Literature Review

Organizational Communication
As Van Vuuren et al. (2006, p. 124-125) stated Vertical communication between manager and staff
plays a very essential role in organizational communication. Compatibility of organizational staff and their superior is very significant for effective communication and development. Thus communication takes very essential abode in organization. Main area of communication in organization is manager and employees level, if they are not communicating well at a team level then might affect at all level of organization. And this is the very hardest part for organization to resolve issues of communication. The supervisor have to realize the difficulties of internal management matters and also organization required to analysis the problems of internal communication between supervisor and staff and have to resolve them for to growth of organization Eisenberg and Phillips (1990), Sliburyte (2004:198). The effectiveness of communication creates confidence between management and employees, and they lead their goal in a positive way.

This research analysis the role of managers in internal communication and how the managerial level helping their employees to build the confidence of employees in intern effective communication. This study also define the framework for internal communication in organizational practice and how management lead their communication in organized, harmonized and consistent techniques that stated the level of internal communication.

According to Pollitt & Brown (2008, p. 29) to get a feedback from employees are very momentous for organizational development, the feedback give the more deep analysis about current problems and its helps for progress in every department. Those organizations that cherished their employees get extremely enlarged revenues, as increment in salaries is not only perquisite for employees satisfactions. Because sharing goals and get feedback from them also increased their satisfaction and can gain their loyalty and strengths which ultimately helps organizational progress

However, this research clearly emphasis on the communication of management, the passages they use to process the communication for the betterment of organizational communication growth, as internal communication at the managerial level also influence the various variable, but this study focus on productivity and organizational development outcomes. This research papers studies the relationship between organizational communication and effectiveness of communication, while the focus also on the connection among effective internal communication and member of staff efficiency. This study on above precise areas can deliver further details that help in organization development and also discuss the literature about these areas.

**Effective Internal Communication**

For the development of business success belief and trust is very important, and trust can be built by the effective internal communication. The development of trust in the organization is very important and communication helps to develop this in a very effective way Thomas et al. (2009, p. 28, 306). In organization relationship between staff and superiors measure by the level of trust by this can get the proper information of organization. The more sincerity and trust developed by organization for employees, the more organization can understand about employee contribution. According to Thomas et al on the light of above outcomes, organization do focus more on internal communication to get the constructive results in a form of growth. In organizational growth effective communication at managerial level is very important.

As internal communication is required more focus because it’s very critical are in the organization, for this purpose need more research on it. According to Robson & Tourish (2005, p. 214) there are a lots of obstacles in the practicing of effective internal communication in organization. There is one other point that employees no need every king of information, and also what are the sources they using to be updated about organization, either information comes in vertical way superior to manager or in horizontal and how they spread accuracy According to Robson & Tourish (2005, p. 214) in the organization management usually insecure to examine about their internal communication performance.

To make futures goals and plans organizations should maintain their record of work, otherwise it’s very hard to go further in progress.
According to Quirke (1996, p. 67-79) effective communication is absence in the majority of managers that is the reason they are unable to analyze their performance. And it is very helpful to estimate managerial working future for organization. On this area more work is required to analyze managerial performance. Such as this is most important area of internal organizational functions because if managers are aware about their working progress and problems where they lacking then they can more focus on their weak points. According to Robson and Tourish (2005, p. 214) claims that managers lacking knowledge about communication and also laziness to explore their job duties, so this become a main hurdle for the communication effectiveness strategies. Internal communication is not the responsibility of only one person, it’s a team work with the help or organizational support Quirke (1996) and Robson and Tourish (2005).

According to Pollitt & Brow (2008), Goudge (2006) and Smythe (2008) it will add value to research about employees behavior and how much participation they are giving to the organization the feedback of employees and envelopment in the planning about organization goal will lead the business in very successful way. However instance employees’ perspective really supportive for effective internal organizational development. However it’s not as easy to do research about the effective internal communication to get the employees viewpoint. According to Goudge (2006, p. 23) this area of research is very essential for development of organizational goal for rapidly changing era. The more research on effective internal communication is required.

3. Conceptual Framework

The theoretical framework of this research is established with the help of literature to enable the growth of organizational communication and employees’ productivity in the light of effective communication flow. The fundamental statement of the framework is the impact of dependent and independent variables. The feature of organizational communication and communicational dimension is determined and then recognized the flow of both variables connection on employees’ productivity. Therefor the productivity of employees will goes down gradually if the internal communication is not strong enough. If there is no such system of internal communication, then at the time of ambiguity cost a lot for employees’ productivity and organizational development (Cellier & Laine, 2014). This situation raise a lot of questions related to productivity of internal organizational environment, as its effect on employees work. This area need more research about complex area of internal communication.

According to Hage et al. (1971, p. 867) internal communication at vertical level is more complexd. The most important area of internal communication is also recognized as a group level and managerial communication. These areas have not much research as compare to management communication (e.g. Thomas et al. 2009, Alleyne et al. 2005, Thomson & Hecker 2000, Barrett 2006 and Smythe 1996). Therefor these areas are far more interesting topic for further in academic research. Internal communication is team work within one organization from top level of CEO to line manager Smith & Mounter (2005, p. 87). According to Van Vuuren et al. (2006, p. 124-125) supervisor play a very vital role in organizational communication and employees commitment. Efficiency of employees and what they perceive about work is related to how often they interact with their managers, because inspiration and proficiency is very important in organization. Thus, this field of communication within the organization is important. If communication does not work in teams, and also between managers and subordinates, this negatively affects the entire organization. This is very difficult for communication management, the lack of effective communication can replace the team.

This framework is developed using editing software. In this context, three latent OC (communication organizations), ECI (effective internal communication) and EP (labor productivity) are revealed through their particular signs. All indicators are forming, showing that these indicators define hidden designs or influence or cause (Hair et al., 2014).
Figure: 1 Conceptual framework
OC: Organizational Communication is measured by Strategy, Structure, System, style
EC: Effectiveness of communication is measured by Communication-skill, Organization Culture. Communication Methods, Organization Structure.
EP: Employees Productivity is measured by shared values, skills, and staff

4. Conclusion
This is a theoretical document, and the goal is to develop a structural relationship between the productivity of employees, OC and effective internal communication. It is important to understand the different features of organizational communication and their impact on effective internal communication and productivity of employees of the organization. Research in this area is very rare, and it is necessary to know how the distinctive features can be added by the organizational link, to form a close relationship with the dimensions of effective internal communication for improving productivity and the staff cooperation model and includes the likely vulnerabilities associated with this stage of life of many influences.

References


Re-examining Family Communication Pattern: The Confirmatory Factor Analysis

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Family Communication Pattern, Confirmatory Factor Analysis, Fitness Index, Reliability test

ABSTRACT
Objective: The purpose of this paper is to determine whether the model for Revised Family Communication Pattern (RFCP) can be used to measure the communication patterns within a family.

Methodology: A survey questionnaire was administered to 500 respondents but only 380 of them were deemed useable. Prior to this, a pilot study was undertaken in which an internal alpha procedure was conducted to determine the reliability of the variables for this study. Similarly, the Confirmatory Factor Analysis (CFA) was also performed to confirm the factor structure so that variables with low factor loading could be excluded. On the other hand, the variable with highest factor loading was identified and then rigorously explained in regard to this model.

Results: More than 50% of the respondents had agreed with the item B9 of the conversation orientation and B17 of the conformity orientation thus, indicating that the model is useful in measuring the communication patterns within a family after omitting several effect indicators that had severe negative impact on estimation.

Implications: When the value of factor loading of a variable is low, fitting the variable in the model will result in the model becoming a misfit that ends with a discussion about the underlying factor structure that is fruitless.

This study is particularly useful for practitioners who need to identify variables that are suitable for research on family communication. Besides that, this paper also provides valuable reference for researchers to consider the adoption of RFCP based on conversation and conformity orientations in Malaysia.

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1. Introduction

A person’s happiness when he is with his family depends on a number of internal and external factors. An internal factor such as communication for example can cause a family to function well or badly (Caro, 2011). This is because good communication between family members can create a family-friendly atmosphere (Simpkins et al., 2006; Park, 2008). Such atmosphere in turn promotes healthy relationship between parents and children. In such families, children usually consult their parents when they are confronted with any kinds of problems. This indicates the importance of communication in ensuring happiness among family members. This is consistent with the statement made by Koerner and Fitzpatrick (2004) who point out that communication within a family is indeed a “tool” to measure happiness in the family. More essentially, family communication patterns are the factors that shape the personality of the children in the family because these children can be influenced to become responsible, obedient and respectful to others through them. Similarly, Fosco and Grych (2008) seem to think that children will in turn pass on the communication patterns they practice with their parents to their children. In view of this, studies related to family communication is not only vital but necessary.

Many studies on family communication have adopted the measurement of Revised Family Communication Patterns (RFCP) proposed by Ritchie and Fitzpatrick (1990) in measuring the communication patterns within a family (Laursen & Collins, 2004). In so far, two-dimensional patterns of family communication have been introduced, namely conversation orientation and conformity orientation. Conversation orientation is a two-way form of communication. Families who adopt this orientation are families with parents who are more open and those who usually help or together with their children to express their views and opinions about something. These parents also support and cooperate with their children by engaging in activities that are accompanied by their children. In other words, parents who are conversation oriented are parents who welcome the presence and existence of their children. On the other hand, conformity orientation is a form of one-way communication. Parents of families who adopt conformity orientation are more assertive, unfriendly and aloof toward their children. Children of these families are often asked to comply with the instructions and regulations provided by their parents. In other words, parents who adopt conformity orientation are parents who pay great attention on self-discipline on children (Koerner & Fitzpatrick, 2004).

Based on previous studies, many studies on family communication are associated with other variables such as young people's behaviors, family conflicts, social media, media technology, and others (Hicks, 2000; Chan & McNeal, 2003; Nuredayu, et al., 2004). In measuring the impact of a certain phenomenon and the like, the measurement of family communication patterns can be applied in the collection of data. By obtaining Cronbach's alpha, it is found that the value of negligence for each item exceeds 0.7. This means that Revised Family Communication Patterns (RFCP) have indicated validity as well as reliability. The consistency shown across several previous studies have established the measurement of RFCP and hence, its many adoptions (Chan & McNeal, 2003; Braithwaite et al., 2003; Koerner & Fitzpatrick, 2004). In view of this, this study seeks to analyze the measurement of RFCP by using Confirmatory Factor Analysis (CFA) to see the differences in results. As this is a rare study and undertaken specifically on items contained in the measurement of family communication patterns, it is the objective of this study to look at the number of items and those items which are selected after the analysis of the CFA process.
2. Literature review

2.1 Family Communication Pattern

In family communication, communication patterns strongly influence the life of a family. Family communication patterns usually create communication environment that is either positive or negative depending on how a family manages communication patterns in their families (Koerner & Fitzpatrick, 2004; Bakar & Afthanorhan, 2016). Each family normally establishes its own communication patterns (Braithwaite, McBride & Schrodt, 2003). A pattern of communication favored by family A might not be able to be practiced by family B. Perhaps, the family communication environment of family A is harmonious while that of family B is noisy and disturbing. Therefore, it is vital to know the patterns of family communication and their influence.

A communication pattern influences every family’s tendency to form its daily communication. It is formed during the process of creating and sharing of interactions among its members. Communication patterns that are practiced and exhibited by parents strongly influence their children's lives because these patterns shape these children’s behavioral pattern (Galvin, Braithwaite, & Bylund, 2015). According to McLeod et al. (1972), a family communication pattern can either be concept oriented and socio oriented. However, Ritchie and Fitzpatrick (1990) change the name concept oriented family communication to conversation oriented and that of the socio oriented to conformity oriented. According to Koerner & Fitzpatrick (2004), family communication pattern which is conversation oriented emphasizes on discussion, opinions and ideas among family members whereas conformity oriented one stresses on consistency in behavior, values and beliefs among family members.

2.2 Measurement Revised Family Communication Patterns

The measurement of family communication pattern had been developed by McLeod and Chaffee in 1972. They categorized the patterns of family communication into dimension, namely concept orientation and socio orientation. There are 14 items in the measurement of family communication patterns for which 7 items belong to concept orientation and another 7 items to socio orientation. A Likert Scale is usually used to measure the communication patterns within the family.

At the beginning of 1990s, Ritchie and Fitzpatrick modified the earlier mentioned measurement and renamed it as Revised Family Communication Pattern. A total of 26 items were next included into the new measurement. Out of the 26 items, 15 made up to conversation orientation while the remainder 11 items consisted of conformity orientation (Ritchie and Fitzpatrick, 1990). These items are listed below.

Table 1: Cronbach Alpha (α) of each item according to Revised of Family Communication Patterns (RFCP)

<table>
<thead>
<tr>
<th>No</th>
<th>Conversation orientation</th>
<th>Cronbach Alpha (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>In our family we often talk about topics like politics and religion where some people disagree with others</td>
<td>0.80</td>
</tr>
<tr>
<td>2</td>
<td>My parents often say something like, “Every member of the family should have some say in family decision.”</td>
<td>0.78</td>
</tr>
<tr>
<td>3</td>
<td>My parents often ask my opinion when the family is talking about something.</td>
<td>0.78</td>
</tr>
<tr>
<td>4</td>
<td>My parents encourage me to challenge their ideas and beliefs.</td>
<td>0.78</td>
</tr>
</tbody>
</table>
My parents often say things like “You should always look at both sides of an issue.”

I usually tell my parents the things I am thinking about.

I can tell my parents about almost anything.

My family members often talk about our feelings and emotions.

My parents and I often have long, relaxed conversations about nothing in particular.

I really enjoy talking with my parents, even when we disagree about something.

My parents encourage me to express my feelings.

My parents are very open about their emotions.

We often talk as a family about things we have done during the day.

My family members often talk about our plans and hopes for the future.

My parents like to hear my childish opinion, even when I don’t agree with them.

Conformity orientation

When it involves anything important, my parents expect me to obey without question.

In our home, my parents usually have the last word.

My parents feel that it is important to be the boss.

My parents sometimes become irritated with my views especially when mine are different from theirs.

If my parents don’t approve of anything, they don’t want to know about it.

When I am at home, I am expected to obey my parents’ rules.

My parents often say things like “You’ll know better when you grow up”

My parents often say things like “My ideas are right and you should not question them”.

My parents often say things like “A child should not argue with adults.”

My parents often say things like “There are some things that just shouldn’t be talked about.”

My parents often say things like “You should give in on arguments rather than risk making people mad.”

Based on Table 1, the items in this measurement have Cronbach alpha values that are above 0.70. Several previous studies had shown similar results. For example, a study conducted by Chan and McNeal (2003) showed Cronbach alpha values which were also above 0.70. Based on the findings obtained from the analysis of the results of SPSS, the present study decided to place all the items under CFA analysis so as to come up with a new perspective on measuring Revised Family Communication Patterns.

3. Methodology

This study was a cross-sectional one and therefore, required instruments like questionnaire to collect its data. It was one which utilized a 10-point Likert scale whose rating ranged from (1) strongly disagree to (10) strongly agree. This scale was deemed suitable because like other studies of this kind, this study had employed a parametric technique whose minimum requirement scale was in the form of interval
scale (Awang, Afthanorhan, & Mamat, 2016). This scale had enabled the respondents of the study to rate their perceptions or opinions based on the questions presented. Nonetheless, the requirement that allowed the researchers of this study to use a parametric technique was not limited only to the measurement scale but also the use of probability sampling. In this case of this study, the data had been collected via cluster random sampling that involved samples from the east-coast towns in Malaysia such as Kota Bharu (Kelantan), Kuantan (Pahang), and Kuala Terengganu (Terengganu). The target population for this study consisted of Form 4 students from national schools. Five hundred sets of questionnaire had been distributed but only 380 were deemed useable while the rest were not because either they were not returned or not sufficiently and appropriately completed.

The analysis using Statistical Package for Social Science (SPSS) and that of the Moment of Structure (AMOS) were undertaken to assess the Family Communication Patterns and then to determine which of the items had made high contributions to the findings of the study. Using SPSS, the Cronbach Alpha procedure was utilized to determine the reliability of each item involved in the study. Once the items had been tested for reliability, the Family Communication Patterns was next constructed and validated using the Confirmatory Factor Analysis (CFA). As for the application of AMOS, the structural equation model has been used. The adoption of structural equation modeling, however, entails two sub-models that are measurement model and structural model. Apart from that, this present paper also assesses the quality of constructs in the form of measurement model.

4. Results

![Figure 1: Measurement Model](image)

The CFA had helped the researchers of this study to determine which items carried high impact on the measurement model. The results revealed that 6 items of the conversation orientation sub-construct and 4 items of the conformity orientation sub-construct had been retained in the model. The 6 items out of the 15 items of the conversation orientation that were acceptable and retained in the model included B8, B9, B11, B13, B14, and B15. In contrast, only 4 items out of the 11 items of the conformity orientation that were acceptable and retained in the model included B17, B21, B22, and B23 out of 11 items (Refer to Table 2). The factor loadings for each sub-construct ranged between 0.60 and 0.69. Besides that, the loadings obtained from Family Communication Patterns for conversation orientation and conformity orientation stood at 0.84 and 0.90 which were higher than 0.60 of standardized loadings. Other than
that, the fitness index was acceptable since chi-square normalized by the degree of freedom which was lower than 3.0; while the Root Mean Square Approximation (RMSEA) was below than 0.08; and the Comparative Fit Index (CFI), Goodness of Fit (GFI), as well as Adjusted Goodness of Fit (AGFI) were higher than 0.90. All the minimum index requirements were in line with those reported in many previous researches such as those carried out by Zainudin, Afthanorhan, Asri (2015), Bollen (1989), Afthanorhan & Ahmad (2013), Antonakis et al., (2010), Afthanorhan & Ahmad (2014) and Hair et al., (2009).

Table 2: The items obtained from the analysis of the CFA

<table>
<thead>
<tr>
<th>Conversation Orientation</th>
<th>Cronbach Alpha</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>My family members often talk about our feelings and emotions.</td>
<td>0.77</td>
</tr>
<tr>
<td>2</td>
<td>My parents and I often have long, relaxed conversations about nothing in particular.</td>
<td>0.78</td>
</tr>
<tr>
<td>3</td>
<td>My parents encourage me to express my feelings.</td>
<td>0.77</td>
</tr>
<tr>
<td>4</td>
<td>We often talk as a family about things we have done during the day.</td>
<td>0.77</td>
</tr>
<tr>
<td>5</td>
<td>My family members often talk about our plans and hopes for the future.</td>
<td>0.78</td>
</tr>
<tr>
<td>6</td>
<td>My parents like to hear my childish opinion, even when I don’t agree with them.</td>
<td>0.77</td>
</tr>
</tbody>
</table>

For conversation orientation, all items had high reliability indicating that these items were reliable for this study. Meanwhile, the CFA disclosed that item B9 that is “My parents and I often have long, relaxed conversations about nothing in particular” carried the most loading in the model. Like conversation orientation, conformity orientation too have high reliability. In the conformity orientation model, item B17 was found to carry the most loading in comparison to the other loading of the item for example, “In our home, my parents usually have the last word”. Subsequently, percentages of respondents who agreed with B9 and B17 were identified as shown by the bar chart below. The results for Item B9 and B17 from Figure 2 indicate that more than 50% of respondents had agreed with this particular item.
5. Conclusion

Based on findings discussed above, it can be then be concluded that the model of Family Communication Patterns as the second order construct can be appropriately used to measure conversation orientation and conformity orientation via structural equation modeling. Other than that, it should also be noted that this application would enable items to be identified as those that have quality hence, used in a good model. Last but not least, it is also worth noting that the model can now be employed to examine the importance of items in each sub-construct involving conversation orientation and conformity orientation. As such, an in-depth study of the 6 items of conversation orientation and the 4 items of conformity orientation that have been highlighted in this study can be undertaken in the future.

References


Framework for Managing Employee Talent in Malaysian Islamic Banks

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ABSTRACT

Objective: This paper proposes a conceptual framework to formulate a model of employee talent management, which might be implemented among Islamic banks in Malaysia.

Methodology: This concept paper relies on analysis of previous literature and observation of current issues in Islamic banking industry.

Results: It has been found that the demand for combination of knowledge about Sharia law and finance among bankers is rising in the Islamic banking industry. The capability and expertise of current bankers in Islamic banks are overlapping with those found in conventional banks. Yet only those bankers who are equipped with knowledge of Sharia or Islamic jurisprudence can discriminate the discrepancy of Islamic banking terms and regulations.

Implication: This study proposes that developing and retaining those talents should be focus of formal and informal organizational policies and procedures in Islamic banks in order to make their performance as a manageable outcome. The policy of right capabilities at right time among Islamic bankers would also lead to comprehensive understanding of the Islamic banking principles, nature and forms which is prerequisite to make this industry competitive in areas of marketing, financial and operation management.

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1. Introduction

Islamic banking in Malaysia has been established since its inception in early 1980s. The Islamic banking industry in Malaysia is comprised of twenty five Islamic Banks, which include twelve domestic banks; four development financial institutions; nine locally incorporated foreign Islamic banks operating in Malaysia and two international financial institutions (AIBIM, 2014). The increased number of Islamic

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banks in Malaysia demand for high performing talented bankers. The rising requirement of developing and retaining professional, expert, conversant and bright people for the industry should be concern of efficacious talent management implementation. The true important resource of the Islamic banking sector is not merely professional people conversant in traditional banking skills. Islamic banks need to have bankers with comprehensive understanding and capability to understand and implement the Islamic banking doctrines, nature and procedures of Islamic banking along with proficiency in conventional commercial banking (Zeti Akhtar, 2011 and Mohd Pisal, 2012).

The demand for right blend of Sharia law and finance knowledge among employees has become critical. The process of accounting and auditing, credit evaluation, risk management and other analytical thinking as well as regular practice of common bank operations essentially encounter the Sharia requirement at Islamic banks. However, the knowledge and expertise of existing employees in Islamic banks largely overlap with those of employees in conventional banks. It has been identified that those employees in Islamic banks who are equipped with knowledge in Shari’a or Islamic jurisprudence to understand the divergence of terms and regulations implementation between Islamic and conventional banks (Mohd Pisal, 2012). This concept paper aims to elaborate the necessity for strategic implementation of employee talent management practice in Islamic banking industry. The study also stresses the importance of attracting competent employees, giving them training, motivating them to be loyal and stay longer (Aston and Morton, 2005; Horwitz, Heng and Guazi, 2003; Rothwell, 2001; Silzer and Dowell, 2010). The study also proposes a conceptual framework to meet the rising demand for human capital in line with requirement of Islamic banking sector by having effective talent management system.

2.0 Literature Review

2.1 Managing Talent in Islamic Banks

Employee talent is the strongest dimension of human resources to assist the organization in achieving competitive performance (Buckingham and Vosburgh, 2001). In order to enable Islamic banks to be successful, the top management must embrace up-to-date philosophy of employee talent management by creating propositions that develop and retain talented employees. The Islamic banks are required to give their employees a purpose that is inspiring, convincing, and in line with their own needs. The study by Zukri Samat (2012, p. 29) mentioned, ‘war of talent gets fiercer’.

<table>
<thead>
<tr>
<th>Financial Sub-sector</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islamic Banks</td>
<td>50</td>
</tr>
<tr>
<td>Capital Market</td>
<td>88</td>
</tr>
<tr>
<td>Insurance (Islamic – Takaful)</td>
<td>63</td>
</tr>
<tr>
<td>Legal</td>
<td>63</td>
</tr>
</tbody>
</table>


That study has also highlighted main issues of employee talent management in Islamic banks that must be considered by their top management. First, there is shortage of skills at almost all levels, particularly at middle and senior management in Islamic banking sector. This situation happened because of the second factor, which is the inadequate skill combination of Shari’a and modern Islamic finance knowledge among top management cluster to work on the Board of Islamic banks’ Shari’a Advisory.
Third, there is issue of “hunting” by foreign competitors of Islamic banks in Malaysia. These are emerging Islamic banks from foreign countries from Bahrain, Dubai, London, Singapore and Hong Kong which offer attractive bargain to retract the capable and experienced employees from Islamic banks in Malaysia. The competitor banks have succeeded in developing promising employee talent management systems to recruit, develop and retain talented employees. The aforementioned issues upstretched by Zukri Samat are very important to understand the nature and significance of employee talent management system in Islamic banks in Malaysia. Employee talents need to be cultivated and retained by Malaysian Islamic banks in order to develop and sustain in the industry.

2.1.1 Employee Talent Development

The importance of talent is critical in every organization including Islamic banks in Malaysia. Employees are the most valuable asset of the sustainable organizations and human resource management in organizations is all about capability of managing employees’ talents (Buckhingham and Vosbough, 2001). Since the Islamic banking sector is growing rapidly in parallel with the conventional banking sector, it is high time for Islamic banking institutions to have enough preparation not only in the area of product and services development but also in managing their human resource. According to Mohd Pisal (2012), the biggest issue faced by current Islamic banking industry is to have highly talented employees who possess complete package of education in Islamic banking and finance. Such talented employees for Islamic banking industry must be capable in both Islamic and conventional education background. Ability of attracting, developing and retaining high performing employees determines the organizational performance and enables competitive advantage (Geering and Conor, 2002). Thus, this study proposes the framework for Islamic banks in Malaysia to have strong talent development programs for engaging those high performing talents. The development of human capital in the Islamic banking industry is very important due to the need of skilful and knowledgeable employees in conventional finance as well as Sharia law. The Islamic banking industry in Malaysia must ensure that progression and growth is reinforced by essential employee capabilities (Zeti Akhtar, 2011).

A talent development strategy can facilitate better allocation of eligible employees within an organisation (Walsh and Taylor, 2007). The doctrines of adaptability and mutuality are important in development of talent development strategy in the organisation (Clake and Winkler, 2006). Gandz (2006) proposed seven core areas, which support individual development in an organisation, and it are equally important to the organization success. These include staffing (recruitment and selection), training and development, career development, performance management, succession management, rewards and compensation.

According to Cunningham (2007), talent development strategy should be identified by two main strategic sets. The primary one is “aligning people with roles” and the next is “aligning roles with people”. To bring people into line with roles, there are four aspects to be considered. These are selection, recruitment, appointment and promotion; learning and development; succession planning; and career direction (Cunningham, 2007). In order to align roles with people, Cunningham (2007) suggested that the organisational strategic field should be created for treating employees as secure entities while adjusting other aspects of the organisation. In an effort to develop a strategic capacity, employers explain the need for their talent development programme, including benchmarks for success that will be used to quantify the involvement of their series (Ingham, Penna and Strategic Dynamics, 2006). Putting into practice of a talent management procedure that is transparent and non-discriminatory is predictable to generate an atmosphere for employees to improve their expertise in preparation for upcoming prospects and thus prepare new job specifications. In this framework, a competency model needs to focus and share values while attracting, selecting, developing, engaging, and retaining employees.
According to Silzer and Dowell (2010), the talent management process delivers welfare to workforces, superiors, and the administrations through reactive, pragmatic, comprehensive, aligned, and strategic stages, which also mentioned by the American Productivity and Quality Centre (2004) and Gubman and Green (2007).

2.1.2 Talent Engagement

The loss of talents possibly will be very inconvenient to the organizations’ approaching vibes for positive achievement. Engagement as the key to talent retention is the most important strategy in which it is the first step taken by the human resource practitioners (Glen, 2006). According to Moncarz, Zhao and Kay (2008), retention is the practice whereby employees are reassured remaining or foreseen staying with one organization. Holding talented dynamic employees and removing less performing employees are critical for the long-term successful objectives of an organization. It turns out to be vigorous for organizations to lay in place the approaches to retain their employees for the best performance. By way of a tangible matter, every single employee who is maintained or stayed means one fewer employee to be in place to select, hire and develop, as it is not as good as turnover (Mathis and Jackson, 2003). Agreeing with Peterson (2005), it is very disappointing if the organization has gone through the process of recruitment, new staff orientation, organizing training and other requirements, and later, the new employee leaves after three or four months of employment. Subsequently, what is the point of the organization to start over the recruitment process?

The other challenge in directing for the profitable Islamic banks is to retain or remain talented employees. What will happen if Islamic banks lose their precious employees who are already sitting at the exact position, correct time and accurate place? Bank Negara Malaysia (2012) lists twenty one banks that provide Islamic banking services. The list includes the full fledge Islamic banks, foreign Islamic banks and conventional banks that implement Sharia principles in their certain products. These banks are competing with each other to search for high performing employees and this scenario is dissimilar to what is happening within the conventional banks. Conventional banks had started managing their high performing employees through talent management since many years ago (Zeti Akhtar, 2011). What happened to the employees of Bank Islam Malaysia Berhad and Bank Muamalat Malaysia Berhad, the Malaysian bank that operate the full fledge Islamic banking in the country? The study by Zukri Samat (2012, p.29) mentions, “Bank Islam is a talent developer or supplier instead of being just an acquirer of talents with its emphasis on talent development and skills enhancement. Bank Islam aims to be the ‘Employer of Choice’ in the Islamic financial services industry (IFSI)”. This target needs the strategic implementation of talent management practices to attract employees, cultivate them and let those good talents to be loyal and stay longer (Horwitz, Heng and Guazi, 2003 and Aston and Morton, 2005) with the banks. This will require comprehensive approach to meet standards of the Islamic banking sector by having effective talent management (Rothwell, 2001 and Silzer and Dowell, 2010).

Recognition of individual commitment to an organisation, as well as the needs of the organisation to create an environment where someone would be willing to stay will be very significant in the coming years (Harris, 2000). Loss of high-level talent has often been interpreted by the shareholders as a sign of internal waste, and has been known to reduce the confidence of shareholders of the organisation (Shen and Carnella, 2003). Review of literature and best practice cases demonstrate that if employers treat their employees as treasured contributors to organizations, employees are motivated to stay in the organizations.
2.2 Proposed Conceptual Framework

The research methodology of literature exploration in this study is expected to contribute to the theoretical enrichment of strategic human resource management in Islamic banking industry. It is also aimed to provide better insights to the Islamic banking institutions in implementing the right practices and strategies towards talent management. The proposed model for this study is shown in Figure 1. This model explains the relationship of talent development and talent engagement in Islamic banks. Referring to Cunningham (2007), talent development for Islamic banks should focus on two main strategic choices i.e. “aligning people with roles” and “aligning roles with people”. In order to determine the factors that help engage the high performing employees in Islamic banks, this model relies on the approach of employee engagement proposed by Schaufeli and Bakker (2006). The Utrecht Work Engagement Scale (UWES) by Schaufeli and Bakker (2006) operationalised this new notion of work engagement by applying three measures i.e. vigour, dedication, and absorption.

1. Vigour is described as the mind tools being used by employees and how employees use these tools to put great struggle when doing jobs. This refers to employees having strong level of willingness and readiness to volunteer with all the energies for their organisation.
2. Dedication is described as an imperative intelligence, passion, encouragement, challenge and superior commitment.
3. Absorption is referred to as bursting attentiveness and contentment of employees on duty, by denying the time constraint.

![Figure 1: Proposed Talent Management Framework in Islamic Banks](image)

2.3 Related Theories: The Social Exchange Theory and Resource Based View

The social exchange theory (SET) has been utilized as underpinning theory in this research in order to better grasp the logical aspects of employee talent management in context of Islamic banks. The SET implicates that employee commitment is achieved through talent development. The talent development strategies lead to psychological contact towards employee engagement. Islamic banks can engage and retain employee talent if they exercise strong urge to reciprocate favours in the area of talent development. The employees feel that their employer appreciates their involvement in any tasks given to them. The employees thus value the benefits and rewards i.e. what they will get if they give full commitment to the bank. When they know they are tied up with effectively reward system, they are probable to have a greater attachment to the bank and job, and they are believed to have a lower tendency to leave their organisation (Saks and Rotman, 2006).

The significance of Resource Based View (RBV) in this study is to highlight the importance of the
human resource management approach for talent development and talent engagement as means of enhancing Islamic banks’ capability. Wright, Dunford and Snell (2001) believed that there are three significant mechanisms that establish means for the organisation to achieve competitive advantage. These mechanisms are influenced by human resource practices:

1. The human capital comprises of workers that share knowledge, abilities, inspiration and actions.
2. The human capital moves through the organisation – the association of individuals and their knowledge.
3. The human capital is the dynamic process by which organizations change and/or improvise themselves.

The challenge of Islamic banking industry is to make sure that they have the competence to discover, integrate and pay the capable employees (talents) they require. Boxall and Purcell (2003, p. 140) highlight that the organisations must cultivate individuals who have the capabilities and capacity to make the organizations grow. The implication of RBV for Islamic banks is to be more flexible than competitors by hiring and developing more talented employees.

3.0 Implications and Recommendation for Future Research

Islamic banks in Malaysia should realize that human ability to create resources is far greater than anything. Performance of banks depends on their talent effectiveness and efficiency, which has been highlighted in this paper as the need for “high performing employees” or “talents”. The clear strategic priority and efforts must be made in Islamic banks to employ the right people within right time at right position and with right responsibility. The extraordinary and accomplished workforce by way of a robust human resources development system will make Islamic banks in Malaysia stand out against the conventional banks. This condition will also convey the Islamic banks as lucrative employer organisations and thereby will further attract high performing talent. Meeting required knowledge particularly with combination of the Sharia background and financial management must be the main criteria to get work and promotion at Islamic banks. Islamic banks need talents who are expert and knowledgeable to identify and resolve the compliance of the conventional financial products towards Sharia requirement. Islamic banks should exercise the strategic talent management practices in order to face the challenge in the war of talents in financial industry.

4.0 Conclusion

The study highlights robust strategies of employee talent development and engagement which ought to yield sufficient quantity of worthy talent in the Islamic banking industry. The strategies of talent management are expected to make Islamic banking institutions more competitive. The talented employees are viewed as the expensive human capitals as they are ones who are formulating strategies and carry out operations in Islamic banks to face and withstand competitive pressure in the industry. High performing employees turn out to be exclusive and unique assets of the organization. Earlier studies have shown that prominent Islamic banks with efficient and effective talent management practices have considerably beat competition through the four key financial metrics in banks: net profit margin, return on equity, return on assets, depreciation, taxes and remuneration.

References


Talent from Within (2nd ed.). New York: American Management Association
The Effects of Artificial Reefs to Fishermen Income

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ABSTRACT
Purpose: This paper will examine the effects of artificial reefs on the income of fishermen in Kuala Kedah and Pulau Langkawi, Kedah.
Design/methodology/approach: The method used was based on interviews with fishermen in Kuala Kedah and Pulau Langkawi in Kedah. Interview questions were prepared and carried out pilot tests in advance to see the appropriateness of the questions. The data obtained were analyzed using the Statistical Package for the Social Sciences (SPSS).
Findings: From the results of the study clearly shows that artificial reefs affect the income of fishermen. Artificial reefs not only increase the income, but the area also give the benefit to the tourist and divers.
Research limitations/implications: This study involved the fisherman in Pulau Langkawi and Kuala Kedah, Kedah. Data was collected randomly in two areas of this fishing village with total of 240 traditional fishermen.
Practical implications: Implementation of artificial reefs to increase the income of fishermen and one of the ways to solve the problem of fisheries resources in the long term.
Originality/value: The effectiveness of artificial reefs to the income of fishermen and others factor that influence the income of fishermen.

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1. Introduction

A person’s happiness when he is with his family depends on a number of internal and external factors. An internal The fisheries sector in Malaysia contributed around 1.1 percent of the Gross Domestic Product (GDP) in 2014 (Department of Fisheries Malaysia (DOFM), 2015). While the contribution of the fisheries sector to GDP seen small, but the importance of the fisheries sector as a major supplier of protein sources (Tey, Shamsudin, Mohamed, Abdullah and Radam, 2008) and a main sectors of
employment for those living in coastal areas. Consumption per capita of fish as the main protein source in Malaysia is 45.5 kg per year, compared with meat just around 5.6 kg per year (Department of Statistics, 2014). This effected by the factor price of fish that more cheaper than meat price. This situation make demand of fish increase from 33.4 kg per year in 1986 to 45.5 kg per year in 2012. To fulfill high demand in this sector, overfishing was happened. Beside thats, country had to import from other countries like Thailand to fulfill fish demand in Malaysia.

The high demand for fish has caused over exploitation. This situation make a fisheries resources decrease and in long term marine resources will collapses. The decline in fisheries resources has become a huge issue that will be an effect to traditional fishermen and country. This is because over 60% of the main source of supply of fish comes from coastal fishing (Malaysian Fisheries Development Authority (MFDA), 2014; Maznah, 2013).

In 2012 the number of fishing landings are 1.4 million tonnes with a value of RM 7857.85 million. This number is expected to increase in 2020 with an increase of 1.8 million with an increase of 2.9 per cent per annum. However, if the resource continues decline, it will affect the national target for the fishery products landed by 500 thousand tonnes in 2020 (Ariff, Sharir, Ali, Majid and Hussin, 2011). Because of this situation, country has introduced artificial reef for long term solutions.

Artificial reefs are manmade that has a potential to accumulate and increase the production of fish (Ali, 2007; Shahbudin, Hafifi, Akbar, Kamaruzzaman, and Jalal, 2011; Ali, Hussain, Hamid and Abdullah, 2013). The implementation of the concept of artificial reefs is to put something natural or man-made material on the seabed for the purpose of replenishing the local fishery resources. After a period, these reefs will change to a suitable habitat for protection, construction and where to find food to most of the species and habitats of various flora and fauna (Ali, 2007).

Artificial reefs was first introduced in Malaysia around 1975, and Kedah was the first artificial reef’s project was implemented (Latun and Abdullah, 1991; Ali, 2007). In May 1975, artificial reefs have made by used tires in Pulau Telur followed some other areas near to Pulau Payar. Beside that, artificial reef also made by old boats and fishing vessels by foreigners who intruded country border. However, after 1995, artificial reef from tire were not used because it make the marine environment is damaged (Collins, Jensen, Mallinson, Roenelle and Smith, 2002; Sullivan, 2006).

Starting in 1986, artificial reefs was produced from PVC materials, ceramics, and cement concrete consisting of various forms (Islam, Kusairi, Shaufique, Aswani and Ali, 2013). Size artificial reefs also changed according to the location and seabed conditions. A large-sized artificial reefs in the area of Zone A in order to prevent trawlers from encroaching to the zone and protect resources from trawl net. Artificial reefs will be placed in the area between two to five nautical miles from the coast, in water depths ranging from 15 to 30 meters (DOFM, 2012; Islam et al, 2013) Although the artificial reef structures may cause trawl nets and drift nets damaged, and it is to stop trawlers and purse seines from disobeying the regulations. The trawlers not only cause small fish caught in the nets but this sea habitats are destroyed when a large part of the reef that was stuck in the nets (Ali, Mahyam, Illias, Abdullah, Yaacob and Zakaria, 2008).

According to DOFM, (2012); Islam et al, (2013), the implementation of artificial reefs is intended to:

1. Creating an ecosystem that serves as a sanctuary,
2. Provide a breeding and nursery areas for fish and other marine life,
3. Restoring and protecting marine habitats were destroyed by fishing activities, and
4. Helps restore and enhance fisheries resources in coastal areas to catch fish by traditional fishermen increased.
Studies on the effects of artificial reefs to the traditional fishermen still limited. Study done by Johnson, Barnett, Martini, Craft, Ambrose and Purcell (1994) and Venkatasami and Mamode, (1995) found that artificial reefs provide a positive economic impact to the fishermen. In addition, there are several studies in Malaysia such as Islam et al (2013), Ali et al (2013) also showed a positive effect of artificial reefs to fishermen. The important issues for the policy makers is the effectiveness of artificial reef to increase catches of fishermen. This is because government spend around RM20 million starts from introduced of artificial reefs until now.

2. Literature Review

In early 1900, a fisherman found fisheries resources more in areas with rocky seabed and have the sinking ship. Accordingly, the traditional fishermen began practicing artificial reefs to increase catches of fish (Hung, 1988; Shahabuddin et al, 2011). Artificial reef designed by the government to improve fisheries resources thereby increasing the income of fishermen through the catch (Ali et al, 2013; Islam, Kusairi, Fatimah, Aswani and Illisriyani, 2010; Omar, 2013; Mohd Fakhrudin, 2013 (a); Mohd Fakhrudin, 2013 (b).

Artificial reefs in Malaysia had been implemented for over 40 years through the provision of MFDA and DOFM with a total more than RM20 million. This is a huge amount and invested by the government to ensure that fishery resources is stable and increased for the future. This program aims to increase the fishery resources and fishermen’s income. To look the effectiveness of artificial reefs to fishermen, there are studies conducted in Malaysia such as Islam et al. (2010), Islam et al. (2013), Ali (2007), Hung, (1988), Latun and Abdullah (1991) and Ali et al. (2008). The study was conducted to see the effect of artificial reefs to fishermen in Malaysia and according to Hung (1988) and Islam et al. (2011) study on the effect of artificial reefs is still limited and only focused on income not others factors.

Compared to developed countries and other developing countries, the study of artificial reefs have been implemented for a long time ago. Among Leitao (2013); Watanuki and Gonzales (2006); Polovina and Sakai (1989), artificial reefs as a tool that can help improve fisheries resources, particularly in developing countries. Watanuki and Gonzales (2006) showed that artificial reefs have been able to improve the efficiency of fishing, protect beaches from erosion, encroachment of trawlers and attractions for divers.

Islam et al. (2010) to see the effects the implementation of artificial reefs in Peninsular Malaysia. The results showed that artificial reefs can increase the income of fishermen. Data in Islam et al. (2010) is the catch data based on type, operating costs and monthly revenue from fishing. Islam et al. (2010) used for the descriptive analysis showed that the average quantity of the catch, the fish landing and operating costs.

Islam et al. (2013) also studied the effect of artificial reefs to fishermen with the objective of the study is to look the economic impact of the implementation of artificial reefs in Terengganu and the second objective is to provide information to policy makers to manage the stability of the fishery resources. The results from the model, Islam et al. (2013) found that the income of fishermen in the area of artificial reefs less than the area that do not have artificial reefs. This is in contrast to studies was conducted by Islam et al. (2010) found that artificial reefs give the impact to the fishermen in that area. The difference in the results of this study may be due to several factors that can affect the results. The problems identified from the study are fishermen do not know about the location of artificial reefs, fishing costs are rising, conflicts between fishermen, the inclusion of small trawlers during the monsoon season and an artificial reef structure is not protected.
In addition, Ali et al. (2013) also shows the effectiveness of artificial reefs. The main objective of study in Ali et al. (2013) is to review the socio-economic impact from the implementation of artificial reefs among fishermen using different tools. The study area is Kelantan, Terengganu, Selangor, Johor, Pahang, Penang, Kedah, Perak, Perlis and Negeri Sembilan. Ali et al. (2013) used the interview method, in which a total of 506 fishermen involved. Target groups methods carried out in which the question has been set and is divided into six parts. The first section on demographics, second is knowledge of artificial reefs, third part is the location of fishing, the fourth is knowledge of the latest equipment on artificial reefs, the fifth part of the perception of the fishermen on the management and the last part is related to socio-economic impacts of artificial reefs.

Results of the study revealed that as many as 78% said there was an increase in income, while the rest have no improvement. This is contrast to studies carried out by Islam et al. (2013). The difference results is due to differences in study variables where Islam et al. (2010) took operating costs, but Ali et al. (2013) does not take costs for the operation of fishing as variables. This difference can give the effect fishermen’s income. If the cost incurred is equal to or more than the total income, this will cause the fishermen do not benefit from the project, but if this value is ignored losses suffered by fishermen can not be known and it is seen as a positive result by the fishermen.

David and Ismaili (2003) study on artificial reef ball type (reef balls) also showed a positive effect on the growth of fishery resources. The reefs in acting as a new reef habitat that give the benefits to the fishermen and divers. These reefs also act to prevent the invading trawlers from entering the area, and also approaching the turtle breeding area. The study was conducted in Batu Penyu near Pulau Talang-Talang. The methods use is the Line Transect (LIT). This model is used to estimate the life of a group within a group in a particular area. Through this method, changes in coral on the stone will be recorded. The establishment of this new artificial reefs help marine habitats have new breeding ground, particularly coral species that span the areas of marine habitat get food. While after two years, this type of ball overgrown reef algae and invertebrates as a source of food for some species. This has led to an increase in the number of fish populations in the area (David and Ismaili, 2003).

Seaman and Hoover (2001) in a study looking at the impact of artificial reefs on recreational fishing where it affects fishermen and divers. Through a survey was conducted, fishermen more attract to fishing in the area of artificial reefs and by 13% diver makes the artificial reefs as location to dive. Fishermen and divers also expressed their willingness to pay will be made to build a new artificial reef to obtain high interest.

In addition, Ditton, Thai, Riechers and Osburn (2002) see the effects on the economy from the artificial reefs. Ditton et al. (2002) also see the effects of artificial reef to divers in that area. The study was conducted in Texas with total of 528 respondents participated in the survey. It is conducted through email and phone calls. Ditton et al. (2002) using the total output, income, and the number of workers involved. Therefore, to see the effects of the economic impact, Ditton et al. (2002) takes into account the total expenditure and the number of trips per day. Number of times divers do diving in that area will be taken to see the number of overall expenses incurred. The more often divers do this activity shows that many divers benefit get from the artificial reefs.

The total trip expenses $x = \text{total amount spent}$

Azhdari, Ibrahim, Arshad, Shohaimi, Ajdari and Ibrahim (2012) in the study also shows the effectiveness of artificial reefs. Based on this study, Azhdari et al. (2012) used four types of artificial
reefs like reef balls, *Laneh Mahi*, used items and combination of all three types of materials from groups A, B and C. *Laneh Mahi* is a reef that traditionally use fronds that placed in a sea area with the aim of increasing the number of the region's fisheries. Therefore, to see the effect obtained through these types of reefs every area of artificial reefs will be checked every three months. At each visit, nets used and placed in each study area for 5-7 days. Then haul visits and other types of fish will be classified according to species and groups of fish. Results are calculated in terms of the amount of weight (kg).

3. Research Method

A total of 240 fishermen from Kuala Kedah and Pulau Langkawi, Kedah involved in this research. In addition to fishermen, the staff from Department of Fisheries Malaysia (DOFM) and the Fisheries Development Authority of Malaysia (FDAM) are also involved. The interviews was conducted to see the effect of artificial reef that received by fishermen. Before carrying out the questionnaire, questions will be appropriately designed in advance and it should be reviewed prior to submission to the fishermen. A pilot study was conducted in Pulau Tuba, Langkawi, Kedah on October 5, 2014 and the second on October 31, 2014. The first pilot study the reliability (Cronbach's alpha) is 44% and the second is 78%. From this value indicates the reliability is high and the questions this study is suitable for use in this study.

After a pilot study carried out, the latest questionnaire formed and divided into 5 main sections as well as a number of questions in each fraction major sections: Section of this questionnaire focuses on the Head of Household (HoH). It will include questions related to the role of HoH and also about the background of the respondent. Where it will involve some fractions such as questions relating to the fishing experience, knowledge of fisheries, fishing equipment and appropriate fishing techniques, the tendency to choose the type of fishing equipment, and the season. In addition, questions must be asked regarding respondent demographics such as gender, race, marital status and so on to get information about the fisherman.

The second part includes questions related income and expenses HoH. Where it will be divided into two parts, revenue and expenses. On the revenue side, all of HoH inflow of money will be calculated. This includes contributions from various quarters and ancillary works. On the expenditure side, the outflow of money all of HoH will be calculated. The third part, information of assets held by households. Information of facilities and equipment will be assessed household respondents in this section. Through facilities and home furnishings, the living standards of fishermen can be seen.

The fourth part of the fishermen’s social relationship. The relationship between the family, the community, and participation in politics will included in social part. This section will also look at the contributions by the fishermen in improving the quality of life. The last part is focused on the role of artificial reefs in the study area. Among the questions that must be asked is the knowledge of fishermen about the role of artificial reefs, the area was carried out and the cost of implementation.

Based on the objectives, the model established,

\[ Y = \alpha + \text{Cost} + \text{No.F} + Y 	imes F + \text{Age} + \text{No.Fg} + \text{No.H} + \text{AR} + \text{Equip} + \text{Sea} + \varepsilon \]

which,  
Cost = Cost of fishermen’s daily operations such as fuel, food and other necessities like a bait.  
No.F = Frequency fishermen out fishing day preformance  
No.Fg = number of fishermen involved in a boat
No.H = Number of households of fishermen
Age = age of fishermen
equip = Fishing equipment
YxF = Income from others activities
sea = Season
AR = Artificial reefs

This model is analyzed using logit model which, artificial reefs is a dummy variable with 0 = no artificial reef areas, 1 = area has an artificial reef.

4. **Findings**

4.1 **characteristics of fishermen**

**Age**

From the research was conducted that showed involvement of young fishermen is more than the older. This is because the factors such as inherited the job from family member. Beside the encourage from family members, natural factors also give the reason for these people to choose work as a fisherman. It is supported by Stephen and Barry (1995), the choice of employment population is based on the region’s economy. For example, residents of the island and close to sea will choose jobs related fisheries sector, while the population of the rural areas tendency to choose jobs based on agriculture is high.

In addition, from the results of interviews conducted, some fishermen are shifted to the industrial sector but do not have the compatibility and back the fisheries sector. The third group is the highest fishermen aged between 40 - 49 years with the number of respondents is 24%, followed by fishermen aged 50 to 59 years with the percentage of respondents involved is 12%.

**An experience**

Fishermen aged over 30 years tend to have experience of more than 7 years and more. This is because based on the study, the fishermen got involved as early as the 20 years and this encouraged fishermen have a lot of experience. After completed the education up to high school level and choose not to further the studies this is an option field to work for residents in areas near the coast (Stephen and Barry, 1995). Fishermen’s experience depends on how early fishermen get into this field and also depends on the level of education. For fishermen aged 50 and over, formal education received by them only at the level of primary education. This an encourages fishermen been in this field as early the 13 years and majority have experience more than 36 years.

4.2 **fishing equipments**

Fishing equipment is a requirement for fishermen to proceed the activity. Fishing equipments also will show the characteristics of the fisherman. For example, the class B fishermen called upon the type of nets used like fishing trawlers. Traditional fishermen tend to have simple equipment such as drift nets and canoes or boats compare to comercial fishermen that have more modern equipment. For example, traditional fishermen have a box with ice to store the fish so that it remains fresh compare to comercial fishermen that have a room freezer in boat to put the fish.

**Boat and fishing net**

Traditional fishing boat is less than 5 tons. Some fishermen use canoes to collect clams and crabs. The table shows the price of boats purchased by fishermen. Of the total, as many as 150 fishermen said the boat used to catch fish bought at the price of RM10’001-RM15’000. This price includes two types of model boats of wooden and fiberglass model. For a new model like fiberglass boats normally have a high price in market compare to the wooden model. According to the fishermen, wooden model more
cheaper than fiberglass because a few factors. This type of boat is the kind of old and owned by fishermen aged 50 years and older. Furthermore, there are also fishermen who buy from other fishermen and get a cheap price. The large-sized boats normally it can accommodate 5 employees of the skipper and crew and costly around RM15’000-RM20’000. Compared to the boat with investment below RM 10,000, the number of fishermen involved was small, only around 3 people. For other equipment such as engines, most of the traditional fishermen using outboard engines. This is because the use of outboard engines suitable for the open fiberglass boat. While the engine is also better suited to boats which have an enclosed space such as a trawler. The horsepower (hp) engine for traditional fishing boats are small. This is consistent with the weight of the boat and the boat's small size.

4.3 Operating costs
The operating costs is an important thing for fishermen to start fishing operations. These costs are divided into two, fixed costs and variable costs. Fixed costs are the costs of buying a boat, nets, engines and another fishing equipment such as fishing lines. While variable costs include costs such as the cost of fuel, charges for food and bait for fishing.

While for the variable costs, it is calculated based on the total number of days fishermen go to fishing. According to the study, most of the fishermen catch every day except Friday. There are also fishermen out fishing subsidies granted according to the number of 22 days. Fuel consumption by the fishermen is based on the location of the fishermen want to catch fish. Normally not more than 5 nautical miles. The minimum usage is in approximately around 10 liters that costly RM20. If the fishermen want to find a different location usually the fuel quantity will be add to make sure oil sufficient for a every trip. In addition, the cost of the food supply is also required and the fishermen just allocate a smaller amount around RM10. There are also fishermen who bring food from home to save the costs. While the cost for bait is depends on the type. For raw bait it's cheaper than artificial bait. For example, artificial bait for fishing can be reached RM50 but it can be used repeatedly compare to raw fish like macarel just around RM5/kg.

4.4 Effect of artificial reefs
The benefits of artificial reefs asked to fishermen in five levels or stage that can directly choose by fishermen. The first stage is very advantageous, second are not beneficial, the third is not sure. The first stage and the second will show the fishermen said that artificial reefs not give any benefits that could help improve catches of fish and income. The third stage, the fishermen feel unsure whether artificial reefs benefit or not to fishermen. While the fourth and fifth level shows fisherman said artificial reefs give the benefit and very beneficial. Number 1 until 5 that can show the exactly how the fishermen think about effect of artificial reef.

The majority of fishermen agree that artificial reef give the impact to income. Between the benefits specified by the fishing is increasing the number of catches in the artificial reef area. These factors encourage some fishermen to make the location of artificial reef as a main location for fishing. This location will help fishermen save fuel consumption because the fishermen already know where to put the nets in order to get more catch of fish and to avoid damage to the net.

In this location, there are also various species of fish compared to other areas. The species is classified as grade A fish where it has a high price in the market. Besides that, the other benefits such as area artificial reefs can prevent the invasion of trawlers and areas suitable to take the tourists to fishing in that area. In addition, when fishermen take the tourist to that area to fishing, this also will help to increase income through the tourist.

4.5 Income of the fishermen
The results showed that the artificial reefs was significant to give the effect on income of fishermen. To see the level of fishermen’s income, it is divided into two, that is 0 to income of less than RM1,000,
while 1 to income more than RM1,000. This is to see the difference in fishermen’s income with previous studies. According to the Banci Sendi (2007) the number of fishermen who earn RM1000 is still at low rate.

According to a study conducted shows majority of fishermen have income of more than RM1,000. A total of 165 fishermen have income more than RM1000 compare to the 75 of fishermen have incomes less than RM1000. This clearly shows the changes in the income of fishermen. Furthermore, there are other factors that encourage fishermen to increase income from artificial reef. Which is include bringing the tourists to fishing in the area. This can help fishermen raise the income through artificial reefs.

5. Conclusion

From the results of the study clearly shows that artificial reefs affects the income of fishermen. Artificial reefs not only increase the income, but the area is also used as a travel area for divers. Fishermen also get additional income through the tourists from bring them to the location of artificial reefs for fishing. For fishing enthusiasts, this is an ideal location to attract and give the best results to the fishing. This also increase the income of fishermen, although not through the catches but by bring the tourist go to the area. Artificial reef studies should be conducted more to make sure artificial reef give the effect to the fishermen. In addition, management should maintain and manage the area of artificial reef in order to prevent the intrusions by the trawler. This is because, it will cause artificial reefs will be damaged if the trawler enter in that area. The damaged will make destroyed breeding grounds and in long term it will effect fisheries resources.

Maintain and management very important to make sure artificial reef can be solution for fisheries resources. This is because if the artificial reef is not maintained properly, it will cause the loss for various parties. The fishermen who will remain the level of income in the long run but had to switch the direction and looking for another job due the lack of fishery resources. The country will have many problems such as lack of food supplies, unemployment and poverty among the fishermen.

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# Resistance to Change of Academics towards Accreditation

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## Abstract

When universities make the decision to go for accreditation to improve performance standards, there has been an impact on academics who are involved in the process. The literature suggests that for accreditation such as business programs such as AACSB, both positive and negative impact could occur for academics. This paper gives an overview on three areas of literature that is pertinent to this topic: resistance to change, accreditation impact on the university, and accreditation impact on business academics with balanced scorecard to measure accreditation impact.

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## 1. Background

For some countries, like Malaysia, education play an important role as education is expected to enable the increase in knowledge which would lead to improvements in capability and hopefully would facilitate change. Education in Malaysia receives significant investment from the Government, with annual total expenditure on education equivalent to 7.7% of annual Government expenditure, with higher education itself receiving 5.5% (Malaysian Education Blueprint [Higher Education] 2015-2025, Executive Summary p1-4). This significant investment in education and talent management of its future workforce suggest that the Government have high expectations on the actors involved – particularly the higher learning education (HLIs). Thus, in return for continued government funding, public HLIs must ensure achievement of performance outcomes and incentives for exceeding those outcomes (Malaysia Education Blueprint [Higher Education] 2015-2025, Executive Summary p1-20). In addition, the Malaysian government targets Malaysia as a ‘regional hub’ for education in the ASEAN/Asian region, thus having competitive, globally accredited universities would enable that target to be achieved.

## 2. Reduced Budget in 2016

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In 2016, the education sector, particularly public universities were faced with reduced level of government spending due to the impact of global uncertainty as well as the reduction in the price of oil and commodity prices on the nation. The Malaysian Government in its 2016 budget implemented a 15% cut in higher education spending for 2016 and 19 out of the 20 public universities saw their allocations reduced with highest at 27.3% for Universiti Malaya (Sharma, 2015). In total, the Higher Education sector sees a decrease of RM1.4 billion (USD$325 million) compared with the previous year, a decrease of 15% from RM15.79 billion in 2015 compared to RM13.3 billion in 2016 (Sharma, 2015). Constraints due to budget cuts increase the demands on universities and its staff in implementing its activities, much less in activities to improve its performance in order to attain accreditation, particularly regional or global accreditations. Other countries which have faced such circumstances earlier report the impact on the universities. In Australia for example, the significant cuts in funding have lead to higher student/staff ratios, over-enrolments, staff shortages, larger classes and poorer quality students (see Pop-Vasileva, Baird and Blair, 2014). The authors noted that such changes could have greater impact on certain faculties, such as accounting, expected as ‘cash cows’ in certain universities. The authors observed that the circumstances were also occurring when expectations were universities were expected to be more fiscally responsible. Such conditions faced in Australia is slowly being felt in Malaysia, thus the circumstances stated by the authors on staff shortages as well as issues of infrastructure and student quality could be felt in the near future for Malaysian universities.

In this circumstances, implementing or earning a global accreditation is not easy, and the literature suggest that any organisations, such as universities, which are in the process of implementing change will face resistance from its staff (see Julian & Ofori-Dankwa, 2006). Research on the impact of accreditation on academic staff has been few (van Kemenade and Hardjono, 2009). The authors argued that this was surprising given that research has shown that success in quality improvement in organisations were dependent on the ability to change of staff (see van Delden, 1992). The authors noted from research presented in conferences and journalistic articles, that there seems to be resistance from lecturers towards accreditation process though organisations could benefit from the accreditation itself. In their study on Netherlands universities, the author found that factors leading to resistance among staff towards accreditation include high workload, negative emotions (stress) as well as lack of knowledge and lack of acceptance (van Kemenade and Hardjono, 2009).

3. Aim of the Paper

This paper focuses specifically on the resistance to change towards achieving accreditation using the focus on the global accreditation from Association to Advance Collegiate Schools of Business (AACSB). AACSB is a global accreditation for business management courses for both undergraduate and postgraduate courses. AACSB itself acknowledges that its accreditation is one of the most difficult that universities face, as AACSB has a strict criteria that must be met by universities. Though the accreditation could bring positive outcomes to the university itself, what are the impact that it might have on the academic staff, especially with regard to resistance of change from staff? Specifically, what are the impact, both positive and negative that might have on the academic staff? The aim of this research paper is to present an overview on three areas of literature that is pertinent to this topic: resistance to change, accreditation impact on the university as well as accreditation impact on business academics.

4. AACSB accreditation

Among the well-known global accreditation of business management programs are The Association of MBA (AMBA), The Association to Advance Collegiate Schools of Business (AACSB) and European
Quality Improvement System (EQUIS) – global accreditation of business management programs at both undergraduate and postgraduate levels. This paper focuses on the impact of the accreditation process towards achieving the AACSB accreditation has on university academics. AACSB is an international accreditation of business schools programs, headquartered in the US. AACSB International is in charge of accreditation of universities outside the United States. AACSB provides “internationally recognised, specialised accreditation for business and accounting programs at the bachelor’s, master’s, and doctoral level. The AACSB accreditation standards challenge post-secondary educators to pursue excellence and continuous improvement throughout their business programs. AACSB accreditation is known, worldwide, as the longest standing, most recognised form of specialised/ professional accreditation an institution and its business programs can earn” (AACSB website). The AACSB has more than 90 years of history of recognising excellence in management education and is the largest and most recognised specialised accreditation worldwide. AACSB informs through its website that the accreditation is very stringent with 86% of universities (schools) noting that the standards are the most stringent as compared to other accreditations (AACSB website). Furthermore, the current standards in business education from AACSB’s point of view is that schools should be currently focusing on Engagement, Innovation and Impact in managing their programs. Currently, out of 353 AACSB members in Asia (universities who are starting or in the process of being accredited), only 84 universities or schools are accredited with AACSB (as at February 2016).

Thus, the high standards of AACSB has an impact on the university academics in terms of preparing, addressing and implementing programs to enhance the standards of teaching, research, publication as well as general management of business programs in schools, with the focus on improving the standards for the students. One consequence of the AACSB accreditation is the qualification of lecturers who teach business courses in the university (or ‘schools’) as they need to have a PhD in order to teach, thus increasing the pressure to complete a PhD and publish (Hermanson, 2008), leading to situations where both academics and research students are competing to publish in the same journals (Mathews, 2007, Pop-Vasileva et al, 2014). One consequence of this circumstances are where some early career academics are leaving their institutions and thus universities are facing issues of retaining high quality staff (Pop-Vasileva et al, 2014). The next section looks at both positive and negative impacts that accreditation has on academics.

Therefore the higher standards expected as a result of preparing to acquire accreditation as well as maintaining accreditation could result in increasing academics’ as well as administrators resistance to change. For this paper, viewpoint of academics is the focus.

5. _Resistance to Change_

To achieve accreditation is not easy for universities. For many universities, they start as teaching institutions, and slowly, change towards focusing on research and publication as well as internationalising their outlook. Therefore, it is not surprising that entrenched staff, particularly academic staff, might be resistant to change, especially if the staff had been senior academics or have had many years of focusing on teaching and now are asked to change towards other areas. Thus top management of universities need to deal with the resistance to change of their staff, and find ways to strategically manage in order that change could occur in a positive manner, without negative consequences to the university in the future. The situations facing universities are not unusual. Corporations and other organisations too are facing change in their own way, with more uncertain economic outlook, for example the ‘Brexit’ impact on UK and EU in 2016.

Strategic Management
Thus, how do organisations manage resistance to change? In strategic management, several strategies are suggested. David and David (2015) suggest that in order to face resistance to change, these types of strategy might be implemented: Force change strategy - involves giving orders and enforcing those orders; educative change strategy - one that presents information to convince people of the need for change, as well as self-interest change strategy - one that attempts to convince individuals that the change is to their personal advantage. Therefore, for top management of universities, one or a combination of all three types of strategies might be suggested. A research study on the type of strategy, if any, that is implemented when a university is implementing processes towards achieving a global accreditation could be done.

Resistance to change is perhaps understandable. The human being is against change and prefers the comfort zone of what is familiar. However, research has shown that change is possible and performance could improve. For example, based on a study of two Canadian health organisations, these organisations showed that changes were made where there were improvements at the systems and management practices as well as external communications (see Lanteigne & Bouchard, 2016). The study suggest that among the stages of the accreditation process, the ‘self-assessment’ and ‘make improvements and follow up on recommendations’ were the most useful as it contributed the most to change. As facilitators, the interdisciplinary accreditation teams were preferred as change agents (Lanteigne & Bouchard 2016). However, the authors cautioned that the organisations still had a long way to go. Their improvement had yet to achieve the minimum level of requirement to achieve accreditation without restrictions, and the organisations had to find a way to formalize the changes made into the organisations’ systems.

From the context of an academic environment like universities, the study by Ingram, House, Chenoweth, Dee, Ahmed, Williams, Downing and Richards (2014), recognized that for academics to be ‘agents of change’ there need to be acquisitions of skills, understanding institutional contexts, achieving specific structure of support as well as attaining four types of resources – namely targeted reading, for example books such as Kotter and Whitehead’s “Buy-in”, developing group partners, making time for focused work as well as an action plan (Ingram et al, 2014).

Accreditation process could also indirectly lead to organizational change, though accreditation itself on its own is not enough, and need to be supported with powerful interests in order to generate direct change (Cooper, Parkes & Blewitt, 2014). White, Paslawski and Kearney (2013) noted that in the education sector, reasons usually cited for failure to change include: lack of understanding and support from faculty, lack of skills needed for change as well as lack of coordination and assessment of change (Rollins et al, 1999, Genn, 2001, Sefton 2004). In addition, for medical schools, White et al (2013) noted the literature suggest that conservative culture, territorial conflicts and defending current practices as other factors (Bernier et al. 2000; Lane 2007) that has impact on resistance to change. In their study, White et al (2013) discovered that one way to bring about rapid change is to acknowledge that resistance to change was going to be an issue but to go ahead and through innovative leadership, and with the right support for the ‘agents of change’, they were able to achieve success. The authors also noted that the (medical) faculty realized that education for the faculty now played a more important role than before. Thus, the aspect of resistance to change of an organization towards change, such as that when acquiring accreditation or in some cases, to reaccredit after losing an accreditation, suggest that organisations need to consider carefully the process of accreditation and the impact that it has on an organization. The literature has suggested both positive and negative impacts of accreditation and the next section discuss this.

Positive Impact of Accreditation

Overall, though, some researchers emphasise that accreditation such as AACSB have many benefits and suggest that lack of information from academics could be the source of uncertainty. Romero (2008) suggest that AACSB have positive impact on business school strategy, encourage creativity, and various
value-added through accreditation-related reporting. In addition, he states that ACCSB has also flexible guidelines in areas of graduate admission, faculty qualification, and curriculum requirements.

In terms of learning, though AACSB could promote Organisational Learning and have a focus on quality, research productivity and innovative programming are not guaranteed. But the schools could at least ensure that they have participated with peer review exercise and in addition, the schools also need to ensure results are sustained (Elliot & Goh (2013).  
In terms of performance, accredited schools show greater improvement compared to unaccredited schools over a period of time, and with large magnitudes – nearly 5% greater (between 1997-2007) – passing for candidates with all parts taken, and 7% difference for passing for candidates with some parts taken, as mentioned by Morgan (2011). The author discussed the case of a university with an engineering program.

**Negative Impact of Accreditation**

The negative impact of accreditation as noted in the literature include workload increase – which were towards peripheral task – preparation, formalisation of documents, meetings (Lichy & Pon, 2015). In addition, the impact could also be on the industry practitioners – Lightbody (2010) noted that as Australian business schools pursue AACSB accreditation, this may have a number of negative consequences for universities. It may in fact exacerbate, rather than relieve, the current shortage of accounting faculty and result in a fall in teaching quality. The loss of ex-practitioners from the teaching faculty may also result in accounting programs that are perceived as less relevant and engaging by students (Lightbody, 2010). While another negative impact is with regard to student teaching: accreditation could change the focus of business education towards mission-linked approach, promotes growth but at the expanse of pedagogy (Lowrie & Willmott, 2009).

There are also concerns in the literature that top management of business schools are seeking accreditation in order to achieve legitimacy benefits rather than performance benefits (Hodge, 2010). This notion is also supported by Lightbody (2010) who noted that many Australian business schools are seeking to become AACSB accredited in order to increase their marketability for students. In addition, some researchers also suggest that top management has reward and systems in place to train and reward accordingly: “Must be thoroughly trained in supervisory and management practices, including defining desired behavior, linking rewards to the behavior, managing performance, creatively designing broad reward systems and leveraging tenure and faculty governance systems” (Day and Peluchette, 2009).

### 6. Stress and Jobs Less Rewarding

Roberts, Johnson & Groesbeck (2004, pg. 124) noted that salary increases do not accrue to faculty who must suffer through accreditation process with 22.2% of the respondents imply that there were salary adjustments, while on average it appears that faculty are suffering more stress and find their jobs less rewarding, still 22.4% disagree that their jobs are more stressful, and in fact a small number, 23.3%, agree that their work is more rewarding. Thus the authors suggest that “…any school contemplating seeking AACSB accreditation needs to evaluate the results in light of their idiosyncratic circumstances” (pg.124). This suggest that each university or schools might face unique experiences, and that though many academics might complain that they face more stress and higher workload, there might be a small number of academics who might disagree. Thus, if a research could uncover the reasons why or the strategies that worked for a particular group, this would contribute to literature.

In summary, the literature has shown that in terms of resistance to change, the leadership and management of organisations need to ensure that they are ready to face several issues which concern the accreditation that schools/ universities face with academics. Some concerns such as the higher workload
and stress due to the accreditation exercise as well as the preparation, while others are concerned with negative impact of the accreditation itself. However, some literature also pointed out the benefits of the accreditation exercise, including increase in performance. However, the strategy of top management in their strategy with academics need to be considered and academics should be trained, motivated and rewarded accordingly.

Therefore, for top management of universities, one or a combination of all three types of strategies might be suggested. A research study on the type of strategy, if any, that is implemented when a university is implementing processes towards achieving a global accreditation could be done.

To analyse the impact of the change on university, one way would be to utilise the Balanced Scorecard.

7. Balanced Scorecard

Strategic management focuses on how managers or organisations make decisions on determining the long-run performance of the organisation with regard to the firm’s resources (Wheelen and Hunger, 2010). Thus, the drive towards improving the performance of the organisation (the university) through accreditation, qualification and attaining RU status has an impact on how the top management manages its resources (particularly, academic staff).

The Balanced Scorecard approach to strategy evaluation aims to balance long-term with short-term concerns, to balance financial with nonfinancial concerns, and to balance internal with external concerns (David & David, 2015). Thus, questions that top management should be asking are as follows: How well is the firm continually improving and creating value along measures such as innovation, technological leadership, product quality, operational process, efficiencies, and so on? (David & David, 2015).

Wheelen and Hunger (2012) suggest that Balanced scorecard—combines financial measures that tell results of actions already taken with operational measures on customer satisfaction, internal processes and the corporation’s innovation and improvement activities, and thus could be divided into these four areas: Financial, Customer, Internal business perspective, and Innovation and learning.

Thus, using the Balanced Scorecard, future research could examine four criteria to evaluate the performance of the university based on the impact of AACSB accreditation: 1) Internal Customers (Staff): Impact on academic staff, 2) Customer: Impact on students, 3) Financial: Impact on Financial and 4) Innovation and learning: Impact on activities such as research and publication.

In conclusion, this paper has discussed some pertinent issues with regard to resistance to change, particularly in the education sector, when universities have to face an aspect of change due to either acquiring an accreditation, such as AACSB, and the overall overview of the accreditation impact on academics, and with a view on analyzing the impact using the Balanced Scorecard.

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The Feasibility of Incorporating the Interactive Whiteboard in EFL Primary Classrooms

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ABSTRACT
This paper describes the uses of interactive whiteboard in English as a Foreign Language (EFL) primary classroom. The purpose is to explore the potential of the Interactive Whiteboard (IWB) as a learning pedagogical tool to support the development of primary school students’ ability to reach a considerable level while learning in their classes. Additionally, this paper tries to answer the following questions: First, what is an interactive whiteboard? Second, how can interactive whiteboards promote student engagement? Third, what are the interactive whiteboard activities in the EFL classroom? The researcher’s impression is that the interactive whiteboard can easily employ the three learning style in a way that positively reflect upon the individual learner. Results implicated that the IWB could be used to support the students’ abilities development in other subject matters and provide a very interesting choice for importing the Internet into every EFL classroom. Further studies are presented accordingly.

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1. Introduction
Technology has changed our world. In the last few years, it has become more accessible to educators and students. Teachers should have the ability to use technology to boost their professional development. They should also have positive contact with their students regularly. The interactive whiteboard, considered one form of technology, proved to be an exciting and fun tool to incorporate. It has considerable effects on learning in several ways that involve upgrading the level of student engagement in a classroom, their motivation and raising enthusiasm for learning process (Bacon, 2011).

It is important to note that interactive whiteboards help students in acquiring many different learning styles. They are used in a variety of learning environments that serve the teaching and learning process.

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(Chapelle, 2003). Many elementary classrooms have used innovative technology with the purpose of increasing reading skills and the achievement of the students (Englert, Zhao, Collings, & Romig, 2005; Chambers, Slavin, & Madden, 2008; Barone & Wright, 2008; Cheung & Slavin, 2011). Research proved that instructional technology, interactive whiteboard (IWB), for example, that evaluates student performance boosts phonics and decoding skills, being considered as major literacy skills (Lenhard, Baier, Endlich, Schneider, & Hoffmann, 2011; Geske & Ozola, 2009; Kendeou, van den Broek, White, & Lynch, 2009). Thus, IWB can facilitate segmenting the sounds of the language.

To master literacy skills in modern world, students must have certain abilities such as using the Internet to access information, manipulating interactive technologies and streaming videos. They must be able to access information as well as process what they read so that they can be successful in completing different tasks and functions (Belal, 2011; Barrow, Markman, & Rouse, 2009). According to Ertmer (2005), most educators and parents considered technology to be an integral part that provides a high-quality standard in education. The intent of public school choice is to providing several learning environments may boost educators' creativity that reflects the intent of public school in improving the outcomes of students” achievement (DOE, 2005). Burnett (2010) asserted that instructors can facilitate this development through the use of technology in order that students can master new literacy skills in modern times.

1. Research Questions
This paper addressed the following research questions: First, what is an interactive whiteboard? Second, how can interactive whiteboards boost student engagement? Finally, what are the interactive whiteboard activities in the EFL classroom?

2. Literature Review
In order to answer the research questions, the researcher reviews literature regarding the use of interactive whiteboard and its effect on students” engagement. This chapter includes the definition of interactive whiteboard, the effect of IWB on students” engagement, and the activities of the interactive whiteboard in the EFL classroom. It also provides a detailed description of the Incorporating the Interactive Whiteboard in Classrooms.

2.1 What is an Interactive Whiteboard?
An Interactive White Board is a pedagogical tool that takes the form of touch-sensitive screen. This screen works in combination with a computer and a projector. The images of the computer are shown on the board through a digital projector in a way that the instructor can display and manipulate figures and images. Controlling software from the computer and from the board can be done by users. Users can also add notations. They can emphasize the images via using a pen and/or highlighter tool. Using one”s finger as a mouse, the teacher or student can directly run applications from the board. It is interesting to note that any notes or drawings can then be saved, printed out, and distributed to members of the group (Hall & Higgins, 2005).

2.2 How can Interactive Whiteboards Boost Engagement of the Students?
The term „engagement“ in classroom involves social Learning environment. In this environment, most teachers are required to reinforce their beliefs and understandings concerning engagement in classrooms. This will make learning become an inherently social activity. It has been found that current theories in education are based on the notion of the social learner as well as the position of student engagement. These fundamental issues are considered as a major key of knowledge construction component. First, what brings the entire class together and concentrates their attention is the whole-class teaching and the
interaction of teacher focused group. Second, constructivism depends on the learner in a way that he/she can select and transform information, construct hypotheses to make decisions and ultimately build meaning. Finally, learners who get active learning actively engage in the learning process through reading, writing, discussion and evaluation, instead of getting an absorbing passive instruction (Al-Saleem, 2013).

Given the fact that student engagement is essential for learning represented a common thread between these three learning theories. Additionally, a growing body of international research proves the fact that interactive whiteboards boost the engagement of students (Beeland, 2002; Allen, 2010; Bacon, 2011). Using digital resources do not hamper dynamic interaction with the entire class; teachers can provide computer-based learning without separating students and encourage student in high level of interaction. Interactive whiteboards promote interaction among the teachers, students, and the learning materials. They enrich learning through technology in a way that offers a large work space with resources of multimedia (Reed, 2001). A teacher and a student can have the chance of interaction with the Interactive whiteboard before the class and the engagement include the rest of the students. Research proves that the function of the interactive whiteboard with its software allows for classroom activities developments that help in engaging more students in learning. Consequently, they encourage more participation, major focus, and required interaction which in turn leads to the improvement of student learning outcomes (Al-Saleem, 2013).

2.3 Activities of the Interactive Whiteboard in the EFL Classroom
An Interactive whiteboard encourages the process of teaching of foreign languages in three major ways: First, it encourages conversation and interaction in the classroom. Second, it provides assistance with the presentation of new cultural and linguistic components. Third, it supports the oral skills.

2.3.1 Activities that Support Conversation and Interaction with Students
Based on the name of the interactive whiteboard, it involves interaction. In this new form of technology, the user can navigate from the board; he does not need to continually go back to the computer and result in turning his back to the class each time. The instructor is able to spend time focusing on the learning process of the student rather than focusing on the technology itself. This is crucial when using interactive whiteboards to teach. It is also crucial in the foreign language (EFL) classroom. A large number of foreign language teachers realize how difficult to have a relaxed conversation in the target language with the students. The Interactive whiteboard can facilitate particular types of conversations in a way that all individuals of the classroom may focus on the same issue at the same time (Al-Saleem, 2013).

The advantage of the interactive whiteboard is to enhance conversation. For example, the teacher can concentrate on the student's language production rather than technical issues. When he/she is navigating from item to different item, students are faced and interacted with their teacher. It has another advantage that is encouraging communication used in relation with a wireless keyboard. The teacher can interact with his/her students, practicing reading a text or having a conversation, for example. The conversation may develop smoothly through typing a new word onto the board to create the required conversation and the students do not have to write the word instantly (Al-Saleem, 2013). As a result, using images may provide best assistance in creating such conversation.

2.3.2 Activities that Encourage the Presentation of New Linguistic and Cultural Components
One of the essential uses of the interactive whiteboard is its assistance in presenting new linguistic and cultural components. As usual, a teacher can prepare a lesson in a Notebook file or Word Document. Then, the features of the Interactive whiteboard are able to be used in favor to his/her advantage. The
instructor can use the Interactive whiteboard in various tasks such as overwriting, underlining, highlighting or circling the components that he/she likes to emphasize. Since the document is well typed, students can read it easily and simply. Furthermore, this document can be saved showed at any time in the future (Al-Saleem, 2013).

Additionally, the characteristics of the interactive whiteboard can make a big difference. For instance, it provides substantial aid when presenting authentic documents such as web sites. These sites enable the instructor to browse the document at length instead of remaining at a very simple level of presentation. In research, there are studies suggested the positive impact of authentic documents in language learning (Bacon, 2011; Allen, 2010). Using the interactive whiteboard, the educator can not only simply project a website, but he/she can also overwrite it to emphasize specific linguistic and cultural components through the process of navigation of the site with the use of one’s finger driven on the large screen.

2.3.3 Activities that Encourage Oral Skills

Pennington (1996) noted that the computer can sometimes have a power in encouraging that kind of anti-social behavior that leads to the work in isolation from others. This is a common criticism for using a computer. It is specifically relevant to the foreign language teacher. It is supposed for EFL teachers to interact with the class as much as possible. Materials should be presented via educational websites. When presented to the whole class, oral interaction can be enhanced by a web document displayed to the whole class. In this stage, opinions, ideas, and thoughts can be exchanged. This will gain more benefits if the students navigate the large screen instead of their teacher. The other students may guide each other. The teacher has to give directions in the target language when needed. As proposed for group activities that use the computer (Abraham & Liou, 1991; Chapelle, 2003), students are encouraged and brought together in a communicative feature by incorporating the interactive whiteboard.

Given the projects on the large screen, students can present and have the opportunity of speaking with their other classmates. Without having to worry about the mouse, this let them have the ability to converse with each other. Images such as pictures and provided text are displayed immediately with a simple touch of a finger. In this way, the oral production of the target language is placed in the appropriate situation (Al-Saleem, 2013).

2.4 Interactive Whiteboards (IWB) in the Classrooms

One form of technology that can be used as a pedagogical tool is the IWB. Research proved that IWBs are a greatly interactive presentation tool in a way that teachers and students can control and manipulate programs by using a touch sensitive large screen (Marzano, 2009; Digregorio & Sobel-Lojeski, 2009-2010). They make student excited, make the instruction enhanced, and finally make the school climate changed (Harper, Dzaldov, & Booth, 2011; Harden-Thew, 2012). There is a noticeable increase in the energy, enthusiasm and activity levels of the students and teachers when using the IWBs that make the classrooms very active (Northcote et al., 2010; Hall & Higgins, 2005; Higgins, 2010; Harden-Thew, 2012). Learners are interested in using IWBs since they can interestingly express their new knowledge and media (Mercer, Hennessy, & Warwick, 2010; Littleton, 2010; Maher, 2012; Yudt & Columba, 2011; Türel & Johnson, 2012).

Hall and Higgins (2005) argued that “the purpose of using IWBs in the classroom is to enable access to and use of digital resources for the benefit of the whole class while preserving the role of the teacher in guiding and monitoring learning” (p. 104). The British Educational Communications and Technology Agency (BECTA; 2003) pointed out that using IWBs during instruction provides more space for teachers and the whole class to get through digital resources at the same time. Using IWBs in classrooms, the instructor has a role of facilitator to play through monitoring and guiding learning. During instruction, the potential advantages of using IWBs are that teachers can teach concepts, stream videos, graphics, combine text, audio, and video through manipulation, practice handwriting within the large screen (BECTA, 2003). Learners in general like IWBs due to the variety of activities provided and available resources in IWBs. Thus, they enjoy the multimedia capabilities in which IWBs offer,
particularly the audio and video features. There are other IWB characteristics such as the sounds, color, movement, the manipulation of objects, and video clips on the touch large board. Learners find the lessons more enjoyable and fun while using IWBs (Hall & Higgins, 2005). However, there are some disadvantages regarding the use of IWBs. For example, teachers lack the experience of how to use IWBs in an effective way (Hall & Higgins, 2005).

Kitson, Fletcher, and Kearney (2007) investigated, regarding the area of multiliteracies, the effects of the implementation of IWBs on teacher practice. The study was in collaboration between a teacher and a team of university-based researchers and the use of an ethnographic approach in order to gain new insight into the demands of teaching with new technologies. The study examined the gap between theory and practice concerning the use of technology to teach literacy. Data were collected from field notes, observations, reflective journal entries, videotapes, and cultural artifacts. They were analyzed to interpret ways in which teachers created meaning of multiliterate practices in the classroom while reading a multimodal text on an IWB. The data indicated that the teachers’ practices focused mainly on traditional print-based modes of communication. The findings indicated that there was a discrepancy between the teachers’ stated and acted beliefs concerning the use of IWBs inside classrooms.

Furthermore, Lopez (2010) investigated the use of IWBs in the classroom. Unlike Kitson’s et al (2007) study, Lopez’s (2010) study was based on quantitative approach. It evaluated the Round Rock (Texas), Independent School District’s (ISD) and Digital Learning Classroom project that was initiative with using IWBs to boost English Language Learners’ performance. The researcher examined whether the use of IWBs had an impact on the math and reading achievement of ELL students. This was done to possibly eliminate the achievement gap between general education students and ELL students and in the third and fifth grade.

Smith et al. (2005) conducted an intensive review concerning the introduction of interactive whiteboards as an instructional tool in schools. In their study, the evaluation focused mainly on the effect of IWB in class interaction, teacher perceptions and on students’ achievement, attitudes and progress. It should be noted that two categories were discussed and analyzed. They included the use of the IWB as a tool to enhance learning and as a tool to encourage teaching. The researchers pointed out teachers found that the IWB as being a flexible and versatile instructional tool used in teaching among under different settings and different age groups. The IWB allowed the use of multimedia such as video, sound, and images. It also allowed the interactive features such as real time movement in rotating an object or interactive games. Furthermore, the most incredible findings was that it eliminated disruption, improved visibility and reduced repetitions in a way that what might be written could be saved and reviewed again. Thus, the use of IWB could lead to motivation.

When using the IWB, the learners are motivated by making the lesson more enjoyable and interesting. This results in improving the attention and behavior. Due to the multi-sensory input, each type of learning styles makes a difference. However, there are many problems connected with using the IWB. For example, Smith et al. (2005) stated that some of the common problems are mainly associated with training, practicalities, and support. To be more specific, inadequate IT supports and lack of trainings can hamper, frustrate and impede teachers from acting in a proper way. Other problems included the day light reflection on the IWB, dust on the projector or the board itself, and the position of the IWB within a classroom. The shadow of the user on the IWB sometimes can hamper learning process in a way that passively affects learning.

Though the UK government allocated £50 million to purchase IWBs for primary and secondary classrooms since research on this form of technology was still in the beginning, researchers chose to shed light on the use of the IWB inside classrooms (Armstrong et al., 2005). It is important to note that there was that little research done regarding the use of the IWB from the perspective of teaching and learning. The data collection involved digital recordings of three one-hour lessons and four teachers who participated in the study. There were also interviews with the teachers together with two focus groups. This focus group included six students in each class (Armstrong et al., 2005). The researchers found that
support and in-service training are crucial for teachers to appropriately use the IWB in order to select acceptable software. The findings showed that the IWB had an effective use in promoting quality interactions between students and their teacher.

Gillen, Littleton, Twiner, Staarman, and Mercer (2008) explored a case study regarding the use of the IWB and showed how it supported the teaching of primary science. The purpose of the case study developed was to investigate how the IWB was used to teach two science themes within four lessons. Additionally, it examined how the teacher creates continuity in student learning as well as engaging students in activities to consolidate their realization. Their research design was an analytic case study that relied on qualitative data to measure the effectiveness of the IWB as well as engagement of students. The findings of the case study investigated proposed that the IWB is a fruitful tool that facilitates interactions with multiple modes of representation. The researchers stated that the objectives of the lesson could have been met using multiple modes of representation without the use of the IWB. However, it would have been time-consuming to use such complicated combinations allowed by the technology. To sum up, IWBs can be used as a pedagogical tool that causes benefits for student learning due to the ability to manipulate and present multiple modes of information.

3. Conclusion

This description and analysis of the interactive whiteboard presented in the foreign language classrooms has offered a remarkable impression in which the Interactive whiteboard is considered a very innovative and powerful tool that provides support for language acquisition and fruitful learning engagement. This kind of technology offers a bridge that allows the skill of using the IWB without breaking any communication between the teacher and his/her students. It encourages interaction and participation among learners. Moreover, this pedagogical tool may enhance new kinds of learning processes that encompasses various learning styles. Training courses should be well prepared and organized to access more resources without any hindrance. This let teachers gain more awareness to the use of such technology inside their classrooms. More studies could be qualitatively conducted to spot the realistic part occurring among learners. Interviews or classroom observation could provide more data concerning the pros and cons of the use of the interactive whiteboard (IWB).

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Mentoring and Organizational Performance: A review of effects of Mentoring on Small and Medium enterprises

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ABSTRACT

Mentoring has gained substantial attention in small and medium enterprises in recent years due to its high impact on business performance. Several studies have delineated the impact of mentoring on small and medium enterprises and found mentoring is helpful for improving organizational performance and transferring information from experienced entrepreneurs to inexperienced or less experienced entrepreneurs which leads to higher productivity of organization, better job satisfaction, and retention of workers. This study reviews the literature of mentoring and the components of mentoring. Findings of the study depict that mentoring has a positive impact on business performance. Moreover, the results also implicate significant decision-making suggestions for SMEs that improved business performance can be achieved by enabling efficient mentoring programs. These programs would benefit employees as well as the organization. Mentoring programs not only increase the value of employees but also the effectiveness of the business.

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2. Introduction

Mentoring has gained a substantial attention in small and medium enterprises (SMEs) recent years due to its high impact on business performance and increasing positive behaviors in workers and reducing negative behaviors. Mentoring also assisted to develop healthier behaviors among workers, and improved social relationship and behavioral outcomes within the organization. Mentoring programs however demonstrate a strategy for academic staff, organizational employee and sportsman etc. Career mentoring takes place within the business field, where an experienced entrepreneur educates or trains inexperienced/low experience entrepreneur or worker. In academic mentoring a professor/teacher educate student through their knowledge. The primary purpose of these types of mentoring is transfer of knowledge.

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Moreover, mentor is described as being a volunteer, protector, preceptor trainer, advisor, advocate, counselor, confidant, consultant and cheerleader (Inzer, & Crawford, 2005). Whereas mentoring can hold a range of meanings and the terminology which shows various set of fundamental assumptions. For instance, literature reveals youth mentoring has been related with programs aiming at teaching, coaching, tutoring, volunteering, counseling, role modeling, and advising (Sachdeva, & Malhotra, 2015). Mentee may also have a similar range of terms as apprentice, protégé, aspirant, client, pupil (Wisker, Exley, Antoniou, & Ridley, 2013). The process itself explain multifariously as „helping“, „reciprocal“, „leading“, „advising“, or „assist“ as „a collaborative enterprise“ with „learning process“, shared ideals by which the mentor leads by illustration. Generally, in mentoring relationships knowledge and understanding about the processes remains at a preliminary stage.

The current study outlines the importance of mentoring program within a small and medium sized enterprise (SME). To select this particular small and medium size industry has some reasons. Firstly, small and medium enterprises are key drivers of economic development and prosperity and the importance of small and medium enterprises to the world economy is overpowering, in this regard; some statistics indicated that SMEs represents about 90% of the total firms in most of the world economies, in high income countries their contribution to the GDP is over 55% and total employment is over 65% (Subhan, Mehmood, & Sattar, 2013). In addition to that, in low income countries the contribution of small and medium enterprise is 60% to the GDP and 70% of the total employment and in middle income country their contribution is 70% to GDP and 95% in total employment emanate from SMEs and informal enterprises (Subhan, Mehmood, & Sattar, 2013). Furthermore, SMEs contribute around 55% of the world’s GDP as well as contribute significantly to the GDPs of many countries. For instance, SMEs contribute towards 85% of the United Kingdom’s economy (Brammer, Hoejmose, & Marchant, 2012) and 51% of the GDP in United Stat of America (Weiss & Welsh, 2013). Whereas, Zhu, Wittmann and Peng (2012) reported that the contribution of SMEs is more than 60% in China. In Pakistan, over 90% of all private enterprises employing up to 99 persons employ nearly 78% of the non-agriculture labor force, they contribute over 30% to the GDP (Subhan, Mehmood, & Sattar, 2013). Zimmer and Scarborogh (1994) reported that this century will begin with the remarkable number of small industries ever, and in Pakistan, over the last decades the increase in small business is almost 100% (Pakistan Economic Survey 2013-14).

Secondly, the importance of this sector is at front of scholar’s, practitioners, academicians and policy makers but still there is a lack of existing literature on the effects of mentoring on SMEs and their workers. Majority of the researchers have focused on larger organizations, for instance, according to government of Pakistan investment at industrial level is entrepreneurship (Subhan et al., 2013). In addition, the past research shows that Pakistan’s small and medium industry taking slow advantage as compare to other developing and developed countries like, Malaysia, China, US and Japan. Consequently, according to Hill (2001) researchers are slowly moving towards SME’s research agenda.

Thirdly, to examine the effects of mentoring intervention this type and size of industry can provides highest opportunity, and choose of this type of organization keep away from the complexities that larger organizations inherently possess. In addition, SMEs provide services and supplies not only to customers of a locality but also act as supplier and distributor to the big business (Perks & Oosthuizen, 2013). Moreover, the innovative ideas and product & services creation not only reinvigorate the economy but also fills the supply and demand.

The literature review on mentoring programs among small and medium enterprises is
scarce and lessor attention hasto pay by the researchers on this domain. Thus, to deal with this gap this study proposed to look at the effect of mentoring, on business performance. The offered literature describes a real need for a study which can facilitate the owner/managers of small businesses to retain their business performance by holding mentoring programs in their organization. The current study reviews the history of mentoring and various concepts of mentoring and its uses in the youth, academia and especially in business programs, mentoring programs are commonly used for transferring knowledge increasing positive behavior of workers towards job and for increasing the performance of businesses.

Literature review on Mentoring

The concepts of mentoring programs are familiar to many in apprenticeship programs and educational institutions (Ojokuku & Sajuyigbe, 2015). Mentoring programs have been introduced for youth, new teachers, faculty and students and in business organizations. The phenomenon called mentoring is not a new trend and can be traced back to ancient Greek mythology (Rodd, 2012). Over two thousand years ago, the concept of mentoring was mentioned by Homer in The Iliad. As the adventurer Odysseus prepared to depart for the siege of Troy, he assigned a warden, Mentor, to watch over his home. After one decade, mentor acted as a faithful and dependable advisor, friend, teacher, and surrogate father to Telemachus, son of Odysseus. This narrative is one of the first attempts to facilitate discussion on the concept of mentoring. Even today, individuals can recognize someone who had a momentous impact on their education, learning and development. Such influences come "in many guises: teachers, bosses, coworkers, and friends" (Rodd, 2012; Darwin, 2000, p. 197).

Relevant Definitions of Mentoring

Defining mentoring, however, has presented a challenge within the research literature because of a "lack of any one comprehensive, yet functional, definition" (Bogat & Redner, 1985, p.851). In addition, mentoring is a diverse process that is ever-changing and the definition of mentoring has taken on various forms and contexts over the years. A deliberate pairing of business professionals (whether mentor-to-protégé, trainer-to-trainee, or peer-to-peer) that follow to construct the skills, competencies, abilities that will grow the business (Hankin, 1996; Hill & Levenhagen, 1995). Furthermore, mentoring can be considered the "nurturing process in which a more skilled or more experienced person, serving as a role model, teaches, sponsors, encourages, counsels, and befriends a less skilled or less experienced person for the purpose of promoting the latter's professional and/or personal development" (Anderson and Shannon, 1988, p.40). Accordingly, Noe (1988), "The mentor is usually a senior, experienced employee who serves as a role model, provides support, direction, and feedback to the younger employee regarding career plans and interpersonal development and increases visibility of the mentee to decision-makers in the organization who may influence career opportunities" (p.458). Individuals are committed to proving support in an attempt to help remove barriers that may exist within an organization (Hunt & Michele 1983; Kram, 1985). Mentors have often been theorized as those persons who rely on a deep knowledge base to educate and guide others (Swap, Leonard, Shield, and Abrams, 2001). One-to-one relationship among mentor and mentee is familiar now a day in mentoring programs where experienced persons transfer their knowledge, experience to inexperienced/low experience persons (Okurame & Balogun, 2005). This mentoring relationship can also be define, “A deliberate pairing of a more skilled or experienced person with a lesser skilled or experienced one, with the agreed-upon goal of having the lesser skilled person grow and develop specific competencies (Murray, 2006).” This definition seems to allow that it is possible that a mentor can be younger than mentee. Additionally, mentoring consist of sharing experience, listening with empathy, developing insight through reflection, professional friendship, and encouraging (Sachdeva, & Malhotra, 2015).
It is difficult to identify when mentoring research began. However, literature would support that Kram's dissertation and subsequent work provided the foundation for the beginning of comprehensive mentoring research. Mentoring has also been studied from various research directions (Selladurai, 2014). These directions include exploring the phases of mentorship (Kram, 1983; Noe, 1988; Mishra, & Jain, 2014), outcomes of mentorship (Allen, & Eby, 2011; Tracy, et al, 2015) and functions served by the mentor (Chen, 2013).

**Phases of mentoring**

Phases of mentoring are important because of the developmental process that occurs throughout each of the phases. (Kram 1983; Mishra, & Jain, 2014; Revelo, & Loui, 2015) were propose the four phases of mentoring: Initiation, Cultivation, Separation, and Redefinition. The Initiation phase usually occurs during the first six to twelve months. During this time the mentorship forms. According to Chao (1997), "through initial interactions that involve junior and senior organizational members, a prospective mentee begins to respect the competence of a potential mentor...” (p. 16). Further, the potential mentor begins to notice the mentee and believes that he or she deserves guidance and coaching. As the relationship becomes more powerful and strengthens, it transpires into the Cultivation phase. Depending on the nature of the relationship, this time period can last from two to five years. The mentee and mentor "learn more about each other's capabilities and optimize the benefits of participating in mentorship" (Chao, 1997, p. 16). Mentoring functions (i.e. psychosocial and career) are maximized during this phase. The Separation phase is characterized by the breaking apart of the relationship (for positive or negative reasons). Depending on the nature of the relationship, this phase can generally last from six to twenty-four months. This process is both a physical and psychological separation for the mentee and mentor. Further, it can evoke a number of emotions, including anxiety, defiance, or stress (Chao, 1997). The Redefinition phase terminates the mentoring relationship. The mentor-mentee relationship becomes more of a "peer like friendship" (p. 16). This period has no specified length. It has been suggested that career functions usually emerge first in mentoring relationship development (Kram, 1985). As the mentor and mentee progress through the phases, psychosocial support becomes more essential and valuable to the mentees (Son, & Kim, 2016).

**Functions of Mentoring**

Mentoring relationships have been shown to provide two distinct functions for mentee: career support function and psychosocial support function. These functions were initially defined by Kram (1985) and have been extensively explored by and supported by researchers (Ragins & Cotton, 1999; Chao, Walz, & Gardner, 1992; Scandura, 1998; Kwan, & Yim, 2011; Uy, Foo, & Song, 2013; de Janasz, Behson, Jonsen, & Lankau, 2013). Further, these two functions have been the subject of subsequent measurement and validation work (Uy, Foo, & Song, 2013; Noe, 1988). Studies exploring the dimensionality of mentoring provide support for the existence of career and psychosocial functions. Career functions are directly related to assisting the mentee with career advancement. These functions include providing a mentee with opportunities for increased exposure and visibility within an organization, sponsorship, coaching and challenging assignments (Chao, 1997; St-Jean, & Audet, 2012). Psychosocial functions, however, focus more on the personal aspects of the mentee that influence the mentee self-image and competence. Mentors providing psychosocial functions usually have an emotional bond with the mentee and provide role modeling, counseling, friendship and confirmation. In addition, Craig et al. (2013) suggested that these two functions of mentoring can influence employees to experience other beneficial organizational outcomes. Confidence, effectiveness and competence are often enhanced by participation in mentoring relationships that function to meet the career and psychosocial needs of the mentee.
Career Support of Mentoring
Career functions are directly related to assisting the mentee with career advancement. Career support function (e.g. coaching, exposure, visibility, protection, challenging assignments) are geared more toward an organization performance and the individual's career. Research findings support significant relationships between functions of mentoring and employee outcomes and organizational performance. Furthermore, a strong relationship was investigated among functions related to career and outcomes of intrinsic job satisfaction. Lastly, in a study made on the employees of Britain during the time span of six month employment, researchers measured the two mentoring functions (Orpen, 1995). Career functions and the outcome measures (i.e. promotion and salary growth) were significantly correlated. However, the associations between psychosocial functions and output were not significant (Gentry & Sosik 2010). Subsequently, organizational rewards for mentee who receive career-related mentoring support tend to be higher. These rewards can be interpreted as benefits of mentoring. Gentry and Sosik (2010) reported that career-related support and psychosocial support can be viewed as first-level outcomes of mentorships. It was suggested that these two supportive functions of mentoring can influence employees to experience other beneficial organizational performance. In addition, according to St-Jean and Audet (2012) career support is directly related to assisting the mentee with career advancement. These supportive functions include providing a mentee with opportunities for increased exposure and visibility within an organization, sponsorship, coaching and challenging assignments, these both supportive functions are helpful for the increasing the performance of small business.

Psycho-social Support of Mentoring
Mentoring is considered a relationship which is trusted and is between new entrepreneur and the old or experienced one, where the role of the old one is considered as a role model and act as a guide by making suggestions and advice to the new one as he or she attempts entrepreneurial tasks, achieve organizational goals, and increase organizational performance (St-Jean & Audet, 2009; Teeratansirikool et al., 2013). Mostly, mentors are considered old, wise and experienced in the relevant field of the mentees where guidance and support is needed. For mentorship, the basic benefit is to gain experience and knowledge the mentor has experienced which helps in the extension beyond the particular region (Robinson, & Reio, 2012). In the psychological, career, and in emotional support, the benefit of extensive mentoring occurs (Baranik et al., 2010; St-Jean, & Audet, 2012). The different needs of mentees are known to the experienced mentor; however, they have similar objective and that is the achievement of the professional goals which are desired (Hays, 2013). During the interaction with the mentor, emotional and psychological support is desired by mentees (Chun, Sosik, & Yun, 2012). The mentor provides psychological support to the mentee through friendship, coaching, counseling and acceptance (Hu, Wang, Yang, & Wu, 2014).

Research Areas of Mentoring
Research on the concept of mentoring occurs in three major areas: academic mentoring, youth mentoring and business mentoring (Eby, et al., 2008). Kammeyer-Mueller and Judge (2008) conducted a review of mentoring research in the PsycINFO database (1887-2007) and identified approximately 3,175 abstracts across these areas that referenced the terms "mentor", "mentoring" or "mentorship". The focus of these studies varied and included, among others, research studies that focused on differences between mentee and non-mentee career-related outcomes and observed benefits among relationships of mentor and mentee. Even though the scale is much smaller, research on mentoring in SMEs is as diverse as the general mentoring research literature.

Youth Mentoring
Group mentoring offer services to the youth in schools and in youth organizations. Critical adults have
been guided by these organizations in children lives in form of teachers, youth volunteer’s and others (Matz, 2015). Adults who avoid one-to-one meeting are mostly feeling comfortable in group mentoring. Individuals mentoring program are often considered hefty due to limited risk groups or safety issues, while group mentoring program attracts such mentors (Lakind, Atkins, & Eddy, 2015). Daylight or early evening group mentoring sessions in schools or community centers make it more attractive to older volunteers, who resides near to community centers, schools and churches. Mentoring literature review highlight that most of the individual volunteers are female (Corney, 2016), who were less educated and belong to low income level group. Individuals involve in one to one mentoring are less attract toward group mentoring that is why the number of retirees and minorities high in group mentoring programs. Those volunteers are welcomed who feel comfortable in meeting with children in public settings or in groups such as schools, community centers, and churches. volunteers share their experience and most of them prefer to arrange group mentoring session due to specific activities and structures so it’s helps them to save substantial time commitment for one to one mentoring in this way. Group mentoring attract youth from different ethnic or racial minority groups (Matz, 2015). Response rate toward group mentoring is high due to its compatible level in Aboriginal and Asian settings. Hence, the vast majority of youth respond that the nature of the relationship between mentor and youth in groups are not satisfactory and they don’t have feeling to interact one-to-one sessions with mentor. Well, peers group setting are more attract the majority of youth.

In research streams youth mentoring is the most isolated one, relationship between volunteer adult and younger mentee at risk, when particularly focus on the effort to control the truancy, drug use, and gang violence. Training youth in jobs through mentoring programs are formally existed since the post-world war II period. Hamilton & Hamilton (1992) explain the concept of mentoring or apprenticeship as the activity through which youth can be trained by a profession scholar or practitioner who teaches them art, skill or trade in a practical way. In traditional mentoring style trainee get training for specific period of time through agreement between employers. During the post-world War II the key inspiration for male children from the working class families to get apprenticeship and learning a trade (Vickerstaff, 2007). Researchers regularly find positive and powerful influences from mentoring on the professional and personal development of graduate students, both in terms of their objective successes and their subjective satisfaction. Jacobi (1991) noted that mentoring involvement could be the one of the most important predictors of student satisfaction, and others have stressed that mentoring is critical for a student’s identity transformation from novice to professional (Matz, 2015; Lakind, Atkins, & Eddy, 2015). While students appear to need psychosocial functions more than career functions (Allen, Russell, et al., 1997), mentors also exert an enduring and important effect on a student’s cognitive beliefs and future practices (Evertson & Smithey, 2000): so much so that Russell & Adams (1997) called finding a mentor “a major developmental task of the early career” (p. 3) due to the centrality mentoring can play in the beginning stages of a professional’s work-life. Allen (2004) told participants that the purpose of the experiment was to inform a mentoring program between university personnel and high school students, moving close to the realm of youth-mentoring. Youth mentoring outcomes have not been as powerful as those found in academic mentoring, likely because youth aged protégés endure many other non-mentoring influences on their development (Eby, Allen, et al., 2008).

**Academic Mentoring**

Academic or educational research focuses on the individuals involved in the process more than at the surrounding organization, with long-term learning goals, professional career results, and recruiting and retaining teaching professionals as the outcomes of interest. Among the various mentoring arenas, the beneficial outcomes of mentoring have been strongest in academic relationships (Eby, Allen, et al., 2008). In an academic setting, performance goals should refer to conducting research, publication productivity, and the reception of awards. One of the most critical components of mentoring programs
for new teachers is the relationship between the new teacher and their mentor, often an expert teacher. The mentor teacher provides crucial support and advice to new teachers in areas of classroom management, lesson planning, pedagogy and emotional support (Brill & McCartney, 2008). Mentoring also positively affects the mentor or veteran teacher by expanding upon their teaching skills and leading to the development of new skills (Odell & Ferraro, 1992). A study conducted by (Ingersoll, 2003) reported that around 40 to 50 recent teachers leave the career completely within the first five years of job. Furthermore, Ingersoll reported that mentoring has decreasing a turnover rate from 40 percent to 18 percent in the School and Staffing Survey given to beginning teachers in 1999.

Only well-organized mentoring programs can positive effect on teachers (Brill & McCartney, 2008). Badly structured and operated mentoring programs for new teachers create more stress, lower career expectations, and are exhausting to mentees usually due to an ineffective and poorly trained mentor (Smethem, & Youens, 2007).

**Mentoring in Business**

Over the last few years, mentoring has become more widely recognized as an effective tool for increasing retention within the SME’s context. According to Gray et al. (2011) the concept within entrepreneurial studies, i.e. business mentoring has emerged in SMEs concept. Researchers suggest that, in today's employment settings, the need for mentoring is greater than ever (Dougherty, Turban, & Haggard, 2007). Organizations understand and appreciate the importance of technology in daily operations. People, however, continue to be the most important component of many organizations. Organizations are in need of consistent professional and personal skill development for mastering the complex issues and changes of the work environment (Dew, Alan, & Tomlinson, 2008). Mentoring has been considered attractive and low cost strategy in the today's organizational complexity in order to enhance and make the workforce skilled (Murray, 2002). Organizations are also under a tremendous amount of strain from both external and internal entities "for the sustainability of competitive edge with the help of cost reduction and enhancement of efficiency and performance (Murray, 2006). An ongoing point of interest is that of determining the benefits of mentoring and whether mentoring can be an effective tool in increasing retention levels among small and medium enterprises.

However, in line with the above debate mentoring involves a plethora of unique possibilities and experiences that impact the fundamental aspects of an organization and its impact both internally and externally. While the person is in the crucial stage of development, the mentor is supposed to act like a guide and is supporting a developing novice or inexperience (Weng et al., 2010). With the help of mentoring, psychological well-being, the self-image and emotional adjustment are improved (Koyuncu et al., 2014). The entrepreneurs can enhance their knowledge regarding the identification of errors made in the last made decisions and considered the necessary changes for the purpose of being sustained and increasing the market share (Dew, Read, Sarasvathy, & Wiltbank, 2009). Similarly, the high degree of complexity, such as designing a successful business system, hiring competent employees, identifying and selecting prospective customers, validating new products, and negotiating business contracts and payment terms makes it necessary for inexperience/low experience entrepreneurs to have experienced mentors (St-Jean & Audet, 2009). The lack of experience and competencies also makes it difficult for inexperience/low experience entrepreneurs to avoid costly mistakes during the most difficult and intense period of the business cycle.

The professional support is extended by mentors in the form of career support, emotional support, and role modeling support to the inexperience/low experience entrepreneurs, these supports are helpful for the success of organizations (McGregor & Tweed, 2002; St-Jean, & Audet, 2012; Hayward et al., 2010). With the help of mentorship program a mentors can guide and shape the behaviors of mentee (Pompa,
Acceptance, counseling, coaching, and friendship are included in emotional, social, and psychosocial support and is a part of the mentor’s responsibility (Robinson, & Reio, 2012; Chun et al., 2012). In line with the above debate, mentoring is deemed to be an innovation in improving the performance of organizations.

Pertaining to the relationship between mentoring and business performance, various researchers conducted studies in this perspective. For instance, Muchau (2013) conducted a study with 91 samples and concluded that mentorship programs are a strong predictor of business performance. Another study conducted by Sherifat (2013) used 50 small-scale enterprises in his study and pointed out that mentoring is clearly very important to women, as well as encouragement and financial support of their small-scale business. Similarly, the results from 630 small companies show a direct relationship has been found between mentoring and the performance of businesses (Núñez-CachoUtrilla, & Grande Torraleja, 2013). Moreover, a study conducted by Brien, and Hamburg (2014) reported that organizations are assisted by training in the establishment and sustainability of competitive advantages with the help of enhancing quality, productivity, and financial results. According to Lee, and Feldman et al., (2012) the organizational performance also increases with the prosperity of mentoring in Taiwan.

Benefits of business Mentoring

Pertaining to the relationship between mentoring and business performance, various researchers conducted studies in this perspective. According to Garvey and Garret-Harris (2008) mentoring has been considered emerging in the previous years, and the literature consistently reports mentoring to be a valuable tool in both business and personal enhancement, there are some studies or reports making references of specific measurable advantages and influences. The study of Northern Ireland’s Bridge mentoring program LEED Unit (2006) investigated various economic advantages for SMEs on the scheme comprising: increased sales turnover, increased after-tax profits and increased employment.

The study of Garvey and Garrett-Harris (2008) reviewed 100 previous studies and then made an observation of the scheme of mentoring in the limit of industry sectors. Considering the observation on various references of advantages mentioned by beneficiaries, the documented the most known benefits of mentor, mentees agencies and organization enhancement as follow:

Firstly, there are some advantages for mentees comprising: enhancement of performance, increased productivity, opportunity of career and making advance, enhancement of skill and knowledge, more confident, enhancement in the satisfaction of job, wellbeing, and motivation, decision making skills, abilities of leadership, developing leaders, making understanding related to product, customer, policies and politics, enhancement of creativity and innovation, and encouraging taking positive risk and development of cognitive learning is increased beyond the domain of career and personal life (Hu, Wang, Yang, & Wu, 2014), according to Mitchelmore and Rowley (2010) for firm performance, the most influential factors are skills, technical understanding, and both psychological and behavioral features. The self-image of mentee can be enhanced by psychological support with the help of ensuring the desired behaviors which help in the development of mentee’s moral outlook, capability of leadership, professional identity, and the efficacy of taking risk, personal competence and confidence level (St-Jean & Tremblay, 2011). However, the relationship of mentoring which not help in the enhancement of learning will be considered dysfunctional (Kumar et al., 2013). Although, to novices, the strategies of self-management can be considered advantageous, who have desires related to the future outcomes of entrepreneurship, the operation of a profitable venture is considered difficult to the new entrepreneurs and will feel a need of mentoring for further guidance (Petkova, 2009).

Secondly, the mentor related benefits are: enhancement of performance with the help of improved
knowledge, sales and networking, more confidence, intensive practices of business, professional identity, positive attitude to change, increased ideas generation and knowledge enhancement; greater job satisfaction, fulfillment of human psycho-social needs; improved communication; opening up of new job opportunities and advances in career; loyalty and self-awareness; rejuvenation and improved motivation.

The benefits enjoyed by organization in which mentee is empowered are: reduced labor and training costs; help in managing talent; improved retention rates and reduced staff turnover, cultivating loyalty and commitment; developing the culture and help in disseminating business values; improved business stability; improved morale, motivation and relationships; improved succession planning; improved job creation and business performance; provided cost efficient enhancement; enhanced productivity; encouraging older managers, enhanced flow of information and communication; improving business learning.

**Mentoring and Resource base view theory**

Even though the performance of small and medium enterprise is widely studied (Daud & Yusoff, 2010; Gaur, Mukherjee, Gaur, & Schmid, 2011; Kreiser, Marino, Kuratko, & Weaver, 2013; Naudé, Zaefarian, Najafitavani, Neghabi, & Zaefarian, 2014; Pett & Wolff, 2011; Pratono & Mahmood, 2014; Rosenbusch, Brinckmann, & Bausch, 2011; Sok, O’Cass, & Sok, 2013; Stam, Arzlanian, & Elfring, 2014; Bozionelos, 2015), study related to small business performance is still under discussion that what should be the basic constructs that affect the performance. The personality of the entrepreneur is often perceived by practitioners as one of the most fascinating topics in the field of entrepreneurship which may have positive impact to increase the performance of organization (Delmar, 2000). Some believe that a successful entrepreneur is a result of the special set of personal abilities and characteristics, rather than other factors and these factors heavily effect on organization performance.

Building on resource base view theory, this current study has aim to explore the relationship and impact of mentoring on small business performance. Mentoring has so many advantages related to mentee and organizational performance directly and indirectly by transferring information and knowledge assembles through many years of experience (Masalimova, & Sabirova, 2015). The literature on mentoring has been rarely examined for implication and for outcomes. Yet, their focal concepts hold much promise for detailing how strong cultures that constitute unique resources can develop (Barney, 1986b). The aim of this current study on mentoring is foundation for SME’s learning and RBV theory. By constructing literatures, study proposed knowledge creation and learning for strategic decision making for organization (Lyles and Schwenk, 1992), cognitive maps or knowledge structures are critical for organization to react to environmental turbulence (Gnyawali & Stewart, 2003). Mentoring programs aid to creating and improving knowledge of the competitive environment. Organization able to making effective strategic decisions by using knowledge providing by mentor (Srivastava and Grant, 1985). Mentoring providing valuable benefit for most important elements of human capital inside the organization. Offstein, Shah and Gnyawali (2011); Núñez-CachoUtrilla, and Grande Torraleja (2013) also used resource based theory in their studies for principal relationship between mentoring and firm performance.

**Implementation and future research**

The current study has aid to set a base for the study of mentoring and small business performance. The current study is generating more information, knowledge and arguments on mentoring in small and medium enterprises to enhance the performance. Furthermore, this study is also contributing to the literature on the relationship of mentoring and small business performance. The paper explored the
phases and forms of mentoring that will help SMEs to become skillful for the safety of their future and emerging needs.

Moreover, this study has explored the role of mentoring in youth, academia and business with a specific focus on positive factors which enhances the performance of organization, literature explore the positive effects of mentoring in organizations such as, mentoring reduced labor and training costs(Marc, 2015, July 21; Emelo, 2015, June Wednesday), help in managing talent, reduced staff turnover and improved retention rates(Rockoff, 2008), help in disseminating business values and developing the culture, improved business stability, improved morale, motivation and relationships, improved succession planning, improved job creation and business performance, provided cost efficient enhancement, enhanced productivity, encouraging older managers, enhanced flow of information and communication, improving business learning. Especially in business performance, The study of Northern Ireland’s Bridge mentoring program LEED Unit (2006) findings indicated that mentoring has various economic advantages for SMEs i.e. increased sales turnover, increased after-tax profits, increased employment and successful business strategies to grow ventures on their own. In addition, organization gains more benefits in terms of facilitation of partnerships, strategic change, problem solving, innovation and change, and better project management.

The most important and positive factor of mentoring program related to mentees advantages in business organizations has been explored from the past review papers which are comprising: enhancement of performance(Askari et al., 2015), increased productivity, opportunity of career and making advancement, enhancement of skill and knowledge, more confident, enhancement in the satisfaction of job, wellbeing, and motivation, decision making skills, abilities of leadership, developing leaders, making understanding related to product, customer, policies and politics, enhancement of creativity and innovation, and encouraging taking positive risk.

Literature review shows that mentoring has so many advantages to the mentee and organization, the question is still unanswered why more businesses are not holding mentor programs into their organization for human resource training, operational structure and development programs. These advantages are not considered quantified but were used frequently and proved that the researcher resulted that on the nature there is an agreement of advantages related to mentoring. The concept of mentoring is not new but in business context it has not been widely explored, it may have some reasons like, lack of consultants, trainers or advisers available with information or knowledge on how to demonstrate or train the mentee by mentoring programs. Furthermore, for mentoring program in business research is necessary to establish the return on investment.

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The Good, Bad and Ugly Sides of Internet Usage in the Workplace

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ABSTRACT
Objective: Computer was designed to help in human daily activities especially in replacing typewriter, a common tool in most offices. The purpose of this paper is to identify positive and negative effect of Internet usage, as well as its factors and impacts.

Methodology: Reviews of articles are retrieved from databases of SCOPUS and Science Direct from 2006 to 2016.

Results: Many people misuse the Internet for personal usage especially during working hours and it known as cyberloafing.

Implication: Computer is used together with internet in the world of information technology for faster communication after 2000s. Internet and social media can improve work performance especially in marketing and communication. However, the misuse of internet had caused cyberloafing issues due to ease of access. Mostly, it is related to factors such as personality-related factors, organizational-related factors, and work-related factors.

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1. Introduction

In 1989, the creation of World Wide Web (WWW) by Berners-Lee has provided the world with unlimited access of information technology (Kashyap, 2015) which emerged between telecommunication and computers. Since then, Internet has been used as the primary method of communication for most of the organizations (Ramayah, 2010); and this kind of communication programme also known as computer-mediated communication (CMC) (Christopherson, 2007). Currently, Internet has a world population of 7,340,159,492 and Malaysia is the top eleven users of Asian country out of 35 others with a population of 30,949,962 (Miniwatts Marketing Group, 2016).

In the beginning of 2000, communication using networking is known as social media networking (Edosomwan, Prakasan, Kouame, Watson, & Seymour, 2011), which was defined as electronic

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communication tool by using Internet to connect, create, share, and exchange information in a virtual community on a common interest, information, views, music, education and so on (Edosomwan et al., 2011; Ngai, Tao, & Moon, 2015). The most popular social media networking website began with Yahoo and Friendster in 2001, and they were overtaken by MySpace and Twitter in 2006, followed by Facebook in 2008 (Edosomwan et al., 2011). Facebook has been announced as the most popular social network in the world in 2009 as its users may register own account for free, create personal profile, get to know their friends around the world, update their profile and photo for others to view or comment. Apart from that, YouTube is the world’s most popular online video website in social media (Edosomwan et al., 2011).

2. Literature review

2.1 Positive Usage of Internet

Interaction of Internet has become massive popular. Pew Research Center (2016) reported that different communication tools (website) were used for different social needs; and Asia is the top internet users with 48.2% from the world population. Since 2005, there is a dramatic growth in Internet usage, especially social networking usage all around the world for activities such as work, politics, getting information about health, news consumption, communities, and teenager’s life, parenting and dating (Pew Research Center, 2016). An individual can learn new things that can affect on ones’ creativity and innovative outcome (Alshuaibi, Mohd Shamsudin, & Alshuaibi, 2015).

In the working environment, email and the Internet are important tools for “white collar” employees and employers. These include professionals, executives, managers, business owners, and clerical workers (Pew Research Center, 2016). As we move with 21st Century skills, social media has also become a part of the marketing and communication tools, if compared to the usage of flyers or advertisement back to non-technology era. Thus, the way organization functions have also changed rapidly.

In many organizations, time is the most important criteria to ensure the work can be completed in the most efficient way. In fact, email or instant messenger through Internet help employees to get the fastest communication response as compared to other method (Edosomwan et al., 2011; Lu & Yang, 2014; Ramayah, 2010). This may include receiving feedback, information about product definition, product development, or providing customer service and support. Information that disseminates faster actually increases communication process (Banerjee & Singh, 2015); shorten product cycle time, increase market products and services to achieve competitive edge (Anandarajan, Simmers, & Igbaria, 2000).

The use of Internet can enable the members of an organization to work as a team. When an individual or employee cannot solve a problem, he or she can share ideas, experience and work with others in a team effectively. At this point, Internet acts as a source of communication to allow employees and management to generate and share their ideas, to allow webcast and video conference to discuss a problem or even promotion issues. A productive computerized organization may form a virtual team to organize knowledge-based work, employed individual based on performance and skills (Kidwell, 2010). Finally, this can increase the overall effectiveness of a team (Edosomwan et al., 2011).

An online survey conducted by the Pew Research Center (2016) shows that 46% of the respondents feel more productive because of the Internet, email and cell phone usage if compared to 7% of respondents who feel their productivity has dropped. This suggests that Internet has becomes a tool in improving productivity of employees. Meanwhile, social media acts as an alternative option for selling products...
and providing services beside building a good reputation for a business organization (Edosomwan et al., 2011; Lu & Yang, 2014). This is because social media has provided the world without boundaries, where few words that describe a brand can effectively be shared in business space just by a simple click, and it helps to reinforce the brand in the minds of the consumers.

### 2.2 Negative Impact of Internet – Cyberloafing?

The increased activities on Internet usage did link with advantages and disadvantages. Some users might use Internet wisely, and some might not. Activities such as spamming, hacking, pornography viewing are considered as cybercrime; while activities of using Internet with unwanted and intrusive behaviors such as bullying, harassing and intimidating victim are called cyber stalking (Kashyap, 2015). Personal use of the Internet by employees while working for non-work-related purposes is called “cyberloafing” (Jia & Jia, 2015; Kidwell, 2010; Liberman, Seidman, McKenna, & Buffardi, 2011).

There are a few terms which are being used under the same definition of cyberloafing by different researchers across this field, such as “cyberslacking” (O’Neill, Hambley, & Chatellier, 2014), “cyberdeviance” (Al-shuaibi, Subramaniam, & Mohd Shamsudin, 2014; Blanchard & Henle, 2008), personal web usage “PWU” (Mahatanankoon, Anandarajan, & Igbaria, 2004). Sometimes, the employees do not use Internet to do their job during working hours, but use it for personal matter. Besides, some employees even browse through popular social networking sites (SNSs) such as Facebook, Twitter, and YouTube to seek friends, chat with friend, or seek information (Kim, Sohn, & Choi, 2011).

Basically, cyberloafing may include activities such as reading the news, doing travel arrangement, entertainment, online shopping or purchases (Mahatanankoon et al., 2004). Based on a study conducted by Blanchard and Henle (2008), cyberloafing can be divided into two types which are known as minor cyberloafing and major cyberloafing. Minor cyberloafing is defined as simple activities of sending and receiving personal emails, browsing news by Internet and online shopping during working hours; while major cyberloafing include online gambling, surfing adult websites, reading and updating information on personal blogs (Blanchard & Henle, 2008).

An employee might involve in cyberloafing without realizing. A case study by Kidwell (2010) showed an employee started his normal work routine, he arrives at the office by 8 o’clock in the morning. He grabs coffee while switching on his computer. His normal working day might continue by browsing emails, followed by reading news online. When any reminder suddenly came to his mind, for example, paying credit card or monthly bill payment, he might browse through internet for that purpose. Without realizing the time and workload, he can continue to update his Facebook page or blogging site. He might only realize his job when any of his colleagues come and ask about the report or receive calls to attend meeting. All these activities are actually personal matters that should not be done during working hours, and this behavior is considered as cyberloafing. An employee should focus on his or her job area during working hours for effective productivity, according to his or her working hours.

### 3. Factors contributing to Cyberloafing

As discussed earlier, cyberloafing might harm the organization. Over used of Internet as non-work activity at working hours are unacceptable and wrong (Ramayah, 2010). According to Robinson and Bennett (1995) and Mishra and Pandey (2014), any unethical behavior which might harm or violate the organization, its members, or both organization and its members is known as workplace deviance. Workplace deviance not only decrease productivity, it shown high turnover results in and can damage to the organization’s reputation (Mishra & Pandey, 2014). Thus, cyberloafing is one of the workplace deviances that gives negative impact if not solve immediately.
A study done by Mishra and Pandey (2014) evaluated three different factors that determined workplace deviance, which includes personality-related factors, organizational-related factors, and work-related factors. Personalities-related factors include sub-factors of negative affectivity, conscientiousness, agreeableness, and emotional intelligence; organizational-related factors included sub-factors of organizational climate, organizational justice, and perceived organizational support; work-related factors include sub-factors of work stress and powerlessness. The worst impact of workplace deviance behavior is destructive behavior which involve destroy organization property, insults others, shouting or gossiping during working hours besides cyberloafing (Mishra & Pandey, 2014).

Personality was found as the most related factor to effectiveness of work distribution (O’Neill et al., 2014), by using The Big Five as inventory to measure personality. In the study done by Jia and Jia (2015), factors of openness and extroversion were positively related to cyberloafing; factors of emotional stability and conscientiousness were negatively related to cyberloafing; while factors of agreeableness were found not related to cyberloafing. Meanwhile, extraversion and neuroticism were positively related to cyberloafing; conscientiousness was negatively related to cyberloafing; and agreeableness were found not related to cyberloafing (Andreassen, Torsheim, & Pallesen, 2014). Among these factors, factors of conscientiousness is the most important factors in personality as it leads to the individual behaviors by good thinking, planning, and structuring that are important in working area (Jia & Jia, 2015), beside the factors of neuroticism (O’Neill et al., 2014). That is why The Big Five Inventory was used in many organizations as assessment tools to identify worker’s personality and advantages to enhance productivity and job satisfaction.

Besides, study also had shown that self-management is important in preventing cyberloafing (O’Neill et al., 2014). This is related to individual attitude as cyberloafing is found positively related to attitudes (Liberman et al., 2011; Moody, 2011). Other factors that are connected to cyberloafing including social norms and organizational roles (Moody, 2011); job satisfaction (Mishra & Pandey, 2014); lower levels of job involvement (Liberman et al., 2011) and so on. In terms of demography issues, males were found positively related to cyberloafing (Andreassen et al., 2014; Jia & Jia, 2015; Vitak, Crouse, & LaRose, 2011); and cyberloafing is negatively related to age (Andreassen et al., 2014; Vitak et al., 2011).

If we connect the above factors with theory, Attachment Theory seems related in explaining the behavior of cyberloafing. As mentioned by Miles, Attachment Theory explains how individual is attached to others in the workplace. The individual changed across time in his or her attitudes and behavior, which might involve helping others or disturbing others (Miles, 2012). Nowadays, most of the employees at work place are generation Y and Z. They are the dominant users of Internet, as they spend lots of time surfing Internet to socialize, complete their academic work, sending email, reading news and so on. Subsequently, these generations are obsessed with the technology and communication. These activities are being carried forward to the world of works; they are too addicted until they spend most of their work time cyberloafing than doing job. Attachment Theory is found related to one of the social media activities like surfing Facebook and it can predict the behavior of cyberloafing (Hart, Napiling, Bizer, & Collins, 2015).

4. Conclusion
According to a survey by Lim and Chen (2012), American employees spent 24% of their working hours on cyberloafing activities every day. Some companies showed that there were reports of Internet misuse in working hours for non-work related purposes (Liberman et al., 2011). While a survey done by Ramayah (2010) in one of the companies in Malaysia showed the employees in average spent 25% of the daily work time to access Internet materials for personal use. Studies also showed that cyberloafing
could lower performance and productivity of a company (Al-shuaibi et al., 2014); and some employees cannot complete their task due to over cyberloafing and it decreases their work productivity (Lim & Chen, 2012); and lastly it is against work ethnics and harmful to organization (Al-shuaibi et al., 2014; Banerjee & Singh, 2015). Thus, some organization took action to ban the usage of cell phones in office during working hours due to its high potential effects on customers service (Kidwell, 2010).

Although Internet and social media can improve work performance, they can also be abused if the employees misuse it for personal purposes due to ease of access. The worst case happened lately across few countries that user’s use social media to express his dissatisfy feeling through blogs or Facebook. This kind of emotional sharing actually brings negative effects, as over sharing might lead to judgmental if the context involves political issues or bigger social context issues that threaten national security (Christopherson, 2007). Similarly, cyberloafing can decrease efficiency of work output, increase risk of getting viruses or spyware, and finally waste of IT resources (Moody, 2011). Hence, organization needs to apply Internet usage policy that suitable according to work load, or even monitoring system which might control employees’ cyberloafing intention; and appropriate awards must arrange by employers for those who following the rules.

As information technology is easily available at work area, this increases opportunity for employees to use it for personal reason. The personal use of the Internet at work has mostly been related to factors of organizational psychology, social psychology, and communication which are widely studied by many different researchers (Christopherson, 2007; Edosomwan et al., 2011). The usage of social networking sites include MySpace, Facebook have effects on interpersonal interaction, positive or negative behaviors is actually depending on the context (Christopherson, 2007). Based from the discussion above, Attachment Theory assumes that early experience of individual effects on activities and behavior of their lifetime. The positive impact of Internet is linked with positive outcome of technology information world; but over surfing of Internet on non-related websites during working hours is considered as unethical behavior of cyberloafing. Thus, a good behavior is important to enhance the qualities of services that lead to job efficiency and effectiveness. The combination of work and leisure into daily working activities as routine must stop as soon as possible.

References


Impact of Social and Religious Beliefs on SMEs Intention towards Adoption of Formal Finance: A Proposed Model

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ABSTRACT

Purpose: SMEs play an important role towards economic growth by generating employment and alleviating poverty, thus, SMEs importance is more evident in developing countries. Despite major contribution in economic development, SMEs around the world are facing several challenges including use of formal finance. This study seeks to investigate the impact of both social and religious beliefs of SMEs owner-managers attitude and their intention towards taking formal finance.

Methods: Qualitative inductive methodology has been applied using literature review.

Results: This study proposed a conceptual framework to elaborate sociocultural factors of owner managers influencing SMEs’ decision making with application of Theory of Reasoned Action.

Implications: Findings of the study will be helpful for the financial institutions to better understand the financial behavior of SMEs owner-managers in Pakistan.

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1. Introduction

Small and medium enterprises (SMEs) are considered as engines of economic growth and have major input towards sustainable gross domestic product (GDP) across the world. SMEs importance for developing countries’ more evident because it recognized as tool of employment generation, poverty alleviation and income generation. Approximately 3 million of SMEs in Pakistan are 90% of overall businesses, contributing 30% towards GDP, employing more than 70% of labor force and 25% to country total earnings (Robu, 2013; Khan & Khalique, 2014). Despite of key contributor in economic development SMEs facing several challenges like: corruption, procedural hurdles, inadequate public infrastructure, low level of skill an trainings, technological constraints and access to finance. In Pakistan,

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it seems difficult for SME owner-managers to fulfill their business financial needs by obtaining formal finance as only 11% of SMEs are well-served, 22% underserved and 67% reported as unserved (IFC, 2014). Moreover, only 7% SMEs using formal finance as compare to India and Bangladesh percentage much higher 33% and 32% respectively. This indicates that SME owners’ used informal finance more preferably or used their own internal funding’s (Khan, 2015).

In Pakistan, social bindings are very strong and people take others opinion seriously, usually, take decisions which are acceptable both socially and religiously. However, it is also understood that religious and social beliefs vary person to person, people who are more religious completely follow Shariah rules or Islamic principles in all of their business matters, on the other hand more social give more weightage to opinion of their family, friends, colleagues and referrals, mostly considered the suggestions of their loved ones and associates before taking any decision (Koropp, Grichnik & Kellermanns, 2014). Some people lye in between category, business growth and profit always preferable for them. In this particular category population increasing with the passage of time, young and educated owner-managers never take care about social and religious boundaries and concentrate on their business growth. Despite these facts, several factors have an impact on SME owner-managers decisions towards formal finance adoption, though, current study mainly focus on the subjective norms of SMEs owners’ in context of Pakistan.

The purpose of this research paper is to investigate impact of social and religious beliefs on SMEs intention towards adoption of formal finance. Specifically, social and religious beliefs studied in an attempt to determine their impact on SME owners’ intention combined with attitude and ultimately on their behavior. The research model of study is based on theory of reasoned action (TRA) to investigate SME owners’ attitude and behavioral intention towards adoption of formal finance. According to Ajzen and Fishbein, (1980) TRA explicitly embeds subjective norms in attitude formation process. So, towards an object it not only measures the attitude of an individual but also accounts for the role of reference groups in forming and reinforcing such attitudes. This research study supplements prior research and makes contributions to the field as previously studies explored the firm characteristics and owner-manager personal characteristics in context of SMEs financial behavior, though, other social factors still need to explore. Moreover, consumer behavioral theories such as TRA rarely applied by researchers to measure financial behavior of firms owner. By considering this gap, this article aims to develop a conceptual framework for an investigation of social and religious beliefs impact on SMEs intention towards adoption of formal finance in Pakistan.

2. Literature Review

Academicians, practitioners and other intellectuals acknowledged that towards economic growth SMEs plays central role. As per statistics of IFC, (2014) report overall 28.7 million formal SMEs are operating globally and approximately 18.6 million in emerging markets. Similarly, in these SMEs around 325.5 million employees are working and in emerging markets SMEs 148.3 million are on job. SMEs predominantly operate in both service and manufacturing sectors and generate employment opportunities for skilled and unskilled individuals (Khan, 2015; Sas Aruwa, 2013). These businesses not only creating employment, reducing poverty and responsible for income equitable distribution but also significantly contributing to the GDP. In emerging markets, like Pakistan, SMEs are known to catalyze the structural change that translates into macro-economic developments and therefore support sustainable growth.

For Pakistan, SME sector is a key component and essential to boost up economy, these businesses
importance cannot be denied for economy revitalization and ensuring inclusive growth in long term. Since independence, SMEs role towards economic development is significant and appreciable as Pakistan’s economy majorly relies on SMEs jobs, industrial productivity, export earnings and foreign investments. Approximately 78% of the industrial labor force employs by SME sector (SBP, 2010), which eventually responsible for training of unskilled labor and helping in skills development. Also fostering the entrepreneurial culture which ultimately translates into cost cutting innovations. As compare to other developing countries, the SME sector in Pakistan still need to achieve its optimal productivity for better contribution in economic activity. However, this sector is facing several obstacles which hinder its productivity and growth, among others, inadequate access to finance is one of the biggest issues.

In Pakistan, to fulfill business financial needs SMEs have access to three main sources of finance 1) formal finance – banks and non-banking financial institutes 2) informal finance – friends and family, advances from customers and credit from suppliers 3) personal savings/retained earnings.

Over the past few years, due to SMEs poor business conditions which is risky for them and macroeconomic factors banks in Pakistan reducing exposure to SMEs. Yet, banking system of Pakistan still need to build requisite capacity to serve this special sector. According to the June, 2015 Development Finance Review (DFR) of Pakistan, SME outstanding finance was declining till 2013; though, after implementation of revised prudential regulations by State bank of Pakistan (SBP) it increased by 3.19% till June, 2015. In addition, the SME outstanding finance contribution in GDP was recorded only 1% which is quite low. Despite this slow increase, banks are main source of formal financing for SMEs in Pakistan and holds 87.1% of total financial sector. Subsequently, Micro Finance Institutes (MFIs) hold 0.3%, Development Financial Institutes (DFIs) 1.5%, NBFCs (leasing companies) 0.3% and Modarabas, 0.3%, etc (SBP, 2015a; SBP, 2015b).

Among others, an important issue highlighted by the researchers is that banks are neglecting small enterprises (rejecting 75% of finance applications) and facilitating medium enterprises (accepting 65% of applications) which is creating a huge finance gap (Kauser, Durrani, Hussain and Hasan, 2012). It is just because of the informal setups of enterprises which are not able to fulfill the collateral and compliance requirements of banks. Thus, banks show reluctant behavior towards financing to such enterprises. So, these small firms move towards informal financing sources or utilize their personal funding/equity. Even though, the banking infrastructure is developed in Pakistan, SMEs heavily rely on the informal sources of finance and there are several reasons that why SMEs prefer informal financing sources. It includes collateral requirements, lengthy procedures and documentation, borrowing costs etc. To save their time and to avoid other hustles to use informal finance source is quite easy and quick way of getting finance for SMEs (Sherazi et al, 2013; Khan, 2015). It happens mostly between the referrals therefore, without any documentation and requirements SMEs fulfill their business financial needs conveniently. The drawback of informal finance is rate of interest which is much higher than formal finance such as lending in cash by wealthy farmers was charged at 85%, moneylenders 55.2% and dealers 25.81% of interest rate.

In financial market the uneven distribution of credit rationing is accredited to constraints on both demand and supply side. On the supply side, lengthy process and procedures of obtaining loans, SME pro policies, under developed legal and financial infrastructure and lack of credit is one of the most important constraint which bar SMEs towards formal financing. On demand side, lack of awareness regarding financial products and services, non-professional attitude of SMEs, lack of management and also firm characteristics such as age, type, size and ownership factors explored by the researchers can create problems in obtaining formal finance. The current study has highlighted the demand side issue, specifically, the impact of social and religious beliefs on SMEs behavioral intention towards adoption of

**SMEs Behavioral Intention**

The behavioral intention means decision and motivation of an individual towards performing some behavior (Armitage & Conner, 2001). According to the Ajzen (1991), a person intention to perform a behavior is the determinant of action. Further, stated that among different behaviors, the most immediate predictor of behavior is behavioral intention. Activities performed by the SME owners’ are focused by personality traits and behavioral approach are considered as an ancillary action to behavior. In addition, study explained that a person perform some particular action according to his/her intention and researchers can use as behavior proximal measure. However, it doesn’t mean that there is always a flawless correlation between behavior and intention, sometime the measure of construct of behavior also required (Fishbein & Ajzen, 1977; Ajzen & Fishbein, 1980; Armitage & Conner, 1998; Francis, et al., 2010). To measure behavioral intention researchers developed consumer behavioral theories, though, empirical evidences with application of consumer behavioral theories to explore the factors effecting financial behavior of SMEs are few.

**Social Belief**

Venkatesh et al. (2003) defined social influence as the level of an individual perceives important his/her referrals expect he/she should exercise. It is basically a function of perceived normative beliefs of significant others e.g. family, friends, colleagues, and others referrals weighted by a person motive to comply with each normative belief. Normative norms are function of beliefs which specify a person thoughts regarding acceptance of a particular behavior by associated people or groups (Lada et al., 2009). In these beliefs, social belief reflect the society and cultural influence and provide the instructions regarding acceptable acts, however it vary like in some countries where people are more active socially, social belief have strong impact on an individual behavioral intention. Researchers revealed that social belief is one of the most significant factor towards opting of financial products, an individual decisions towards adoption of different formal finance options influenced by friends and family (Singh et al. 2010; Yu, 2012). In Pakistan, social belief have great influence on SME owners’ behavioral intention as before taking any decision to take formal finance products they ensure the acceptability socially.

**Religious Belief**

Religion is a cause, principle, or a system of beliefs, practices held to with ardor and faith. Moreover, religion is a psychological connection and dominant emotional relationship to things and it persuades people’s decisions, goals, motivations, purpose and satisfaction (Kirkpatrick, 2005; Mukhtar & Butt, 2012). Prior research exposed that religious belief is one of the major factor that effect financial decision making of consumer (Othmen & Owen, 2001; Tara et al, 2014; Walkhid & Afrita, 2007). It acts as a cultural lens through which a person decodes the incoming message, thus directly influencing the outcome of marketing communication. So, religion being an integral part of culture influences market researchers, to explore its role in the consumption world (De Run et al. 2010). According to IFC, (2014) report one of the key reasons behind SMEs reluctant behavior in selection of formal financing is religious belief factor, as around 20 to 25% of SMEs do not use formal finance at all or due to religious beliefs borrow less than 20% of their requirements. Report further shows that over the past five to six years this sentiment has been growing stronger.

### 3. Theoretical Framework

Theory of reasoned action proposes an individual intent to select or adopt a product based on two main aspects; a person positive/ negative attitude towards behavior and a person perception of social influence...
or pressure to behave or not (Ajzen & Fishbein, 1980). In this article, two propositions of TRA are important, behavioral intention of SME owners’ to choose formal finance and the impact of social and religious beliefs on their behavior. SME owners’ attitude towards formal finance might be not positive but the expectation of associated people may affect his/her behavioral intention to choose formal finance. TRA extensively used by scholars to understand the consumer behavior to select wide range of products and services e.g. Islamic and conventional financial products and services, eco products, organic food, online shopping etc. However, very few studies tried to explore the SMEs financial behavior by applying consumer behavior theories. Particularly, the role and effect of subjective norms especially in those countries where consumer attitude intensely influenced by social and religious beliefs. Thus, this article investigate these beliefs as shown in Figure 1.

![Research Model](image)

**Figure 1.**
Research Model

**Prepositions**

**Preposition1.** Attitude positively affect the behavioral intention of SMEs towards adoption of formal finance

**Preposition2.** Subjective norms positively affect the SMEs behavioral intention towards adoption of formal finance

**Preposition3.** Social beliefs positively affect the subjective norms of SMEs towards their behavioral intention to adopt formal finance

**Preposition4.** Religious beliefs positively affect the subjective norms of SMEs towards their behavioral intention to adopt formal finance

**4. Methodology**

According to the Dawson, (2009) research method is the tools used to collect or gather the data. It utilizes several techniques towards the process of data collection and analysis part. Henceforth, there are two aspects of research method one is data collection and the second is analyzing the data. These
methods are classified into quantitative and qualitative methods. The technique of collecting data in both methods also known as the research instrument. In this study qualitative research design to be followed.

5. Conclusion

The proposed model will provide several theoretical and practical contributions towards SMEs financial behavior. Findings of the study will give clear understanding of social and religious beliefs significance towards adoption of formal finance. Moreover, study will be helpful for the financial institutions to better understand the financial needs of SMEs owner-managers as well as for the policy makers to in line their strategies as per SMEs requirements. Additionally, for the government to introduce such policies and schemes through specialized institutes who can help SMEs to fulfill their business financial needs by taking formal finance, in turn, will lead to increased levels of national GDP and employment rate consequently. Theoretically, the proposed model implies that subjective norms influence SMEs intention towards their financial decision making as well have direct impact on SMEs owner-manager attitude.

References


**The Role of Subjective Culture on Consumer Perception towards Service Quality Delivery**

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Subjective Culture
Consumer Perception
Service Quality

**ABSTRACT**

**Objective:** The purpose of this paper is to describe the role of subjective culture in influencing the relationship between service quality and consumer perception. Theoretical framework of this conceptual paper developed based on The Rater Model by relating the model with Subjective culture.

**Methodology:** This research is a conceptual paper. The secondary data research was conducted to support this study. The data were gathered from the valuable resources such as articles, books, and on-line information. This paper is aimed to describe how subjective culture holds the crucial role in shaping consumer perception toward service quality delivery.

**Results:** Through the empirical research analysis, it was resulted that the subjective culture plays the important role in shaping consumer perception toward the service quality delivery.

**Implication:** This research contributes to knowledge and increases the understanding of existing literature on Subjective culture, service quality, and consumer perception. This research is expected can be used for additional reference to academicians and practitioners by fully understanding that consumer perception is closely connected with subjective assessment which are influenced by consumers' belief, attitude, norm, roles, task, values (the elements of subjective culture). By having deep understanding about the effect of subjective culture on perception of the consumer toward the quality of service delivery, it will enable the organization to design service quality standard that match with consumers' demand in based on their background and expectation.

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1. **Introduction**

Satisfaction is closely related to perception. Consumer satisfaction itself in fact is consumer perception (Parasuraman, 1988). Consumer perception hold the critical point when it comes into evaluation of
service in term of the customer expected and perceived service. Service quality has been a centre focused for academicians and practices especially when Parasuraman, Zeithaml & Berry (1985) brought this topic in their research. In service marketing’s area, service quality plays central role in the process of understanding customer satisfaction and retention (Parasuraman, Zeithaml, & Berry 1988). In service industry, quality is as a variable that has important roles (Yusoff & Ismail, 2008). In the past researched of Sumaedi, Bakti & Metasari (2011), Abousi & Atinga (2011), proved that service quality is as an important factor in determining satisfaction.

Remembering the important of service quality in building customer satisfaction, therefore the service provider is expected to understand this process by looking at the customer generational differences, life stage. Those backgorud of the consumers can influence their preferences for service as well as culture, sub culture, and subjective culture (Zeithaml, Bitner & Gramler, 2009). Accordingly, it will be valuable for the organizations to have strong knowledge on patients’ cultural background, especially subjective culture in order to meet consumers’ service standard.

Culture plays important part in developing perception process itself. The main reason behind a person’s desire or determination is culture (Kotler,2000). Those statements indicate that culture plays the important role in shaping consumers behavior. People from different culture have different behaviour toward their expectation , perception and lifestyle that make differences in their consumption and judgement of a product or service.

Shavitt & Torelli,(2009) mentioned that culture consists of combining factors that generate perception, evaluation, communication, and action among people who share knowledge, geographic location, and language . Accordingly, Zeithaml, Bitner & Gramler (2002) mentioned that there is a connection between consumers' perceptions of serviceand culture. Therefore, People who come from different culture have their own way in interpreting, selecting, and organizing the stimuli that they received. So it is happened commonly that culture often lead to misunderstanding. For example, in China, white colour represents the unhappiness, bad luck and mourning (Kegan, 2015) while in Indonesia, white colour is as the representation of purity and holiness.

Parasuraman et al. (1988) had established SERVQUAL as a framework of service quality measurement. Here, cultural factor had not been included as the factor that influences consumer perception. However, Winsted (1999) believed that it was important to include culture as one of the factors that influence service quality. The reason why Winsted insisted to include culture as one of the important factors that determine consumer’s perception it was because Winsted had conducted studied on two cultures such as: Japan and U.S. The purpose of Winsted study was to examine how cultural differences had effect on customers’ service quality evaluation. Winsted proposed the dimensions of service quality such as; authenticity, caring, perceived control, courtesy, formality, friendliness, personalization, and promptness. Through the study, Winsted found that there were some similarities and differences between Japanese and American cultures in shaping perception. Accordingly Winsted conclude that it was important to adapt and utilize culture as one of important factor in designing appropriate service. In highlighting the crucial contribution of service quality toward customer satisfaction, therefore, service provider is expected to understand this process by looking at the customer generational differences, life stage that can influence their preferences for service as well as culture, sub culture, and subjective culture (Zeithaml, Bitner & Gramler, 2009).

Many previous studies had been done related to the influence of culture on customer perception. Many scholars had shared the same viewed that perception were actually varies depend on the culture (Ramez, 2008), Bhang,Beatty, Walsh(2008),Triandis(2002),Furrer, Liu, Sudharsan(2000), Mattila(2000)). Voyer
and kastanakis (2013) in their research on the effect of culture on perception and cognition, the authors had addressed the gap in cross-cultural consumer behaviour by providing a depth review and analysis regarding to the effects of culture on pre-behavioural processes. The pre-behavioural process is known as perception and cognition.

Zhang and Walsh (2008) had gave future direction and suggestion to go beyond Hofstede in doing consumer service research. Both authors believed that it was critical to think about the other cultural value dimension in conducting cultural research for instance, the cultural work of Triandis, Schwartz and Hall. By applying the other aspect of cultural approach it could be used to understand customer deeply. The authors also believed that by using these different components of culture (value and belief systems, communication systems, and material culture) the essence of culture and its impact on consumer service experienced would be captured.

Bond (2002) mentioned that Hofstede nation-level of culture dimension such as individualism, power distance, uncertainty avoidance, masculinity, long-term orientation, were conceptually, empirically, were quite different from individual culture value. The conceptual and measures of nation-level culture of all the citizens of a country may not share similar cultural characteristic. Bond suggestion had also supported by Voyer and kastanakis (2013). Both authors believed that the researchers should be more focused on examining the effect of culture at the individual level rather than broad cross-cultural difference such collectivism/individualism (Voyer & Kastanakis, 2013).

Accordingly, in this paper, the writer brings the Subjective Culture as the variable that can give the effect on relationship between service quality and consumers’ perception to involving of Subjective culture in socio-psychological factor is still rare in research (Genkova, 2009). The important in adopting subjective culture for understanding consumer perception in service context is because subjective culture has the ability to influence consumer’s perception. Subjective culture itself, describes as the way, how people experience their culture and how this affects their behavioural pattern (Triandis, 1994).

2. Literature review

2.1 Consumer Perception

The crucial part of consumer’s perception is in the part of perception itself. Perception is tightly related to satisfaction. Consumer’s satisfaction is actually as the result from consumer’s perception. On the other words, consumer perception is actually consumer satisfaction (Parasuraman, 1988)

In Service quality, consumer’s perception can be defined as subjective assessments of actual service experience (Zeithmal, Bitner, Gramler,2009). Accordingly, perceived quality of service quality is as the consumer’s judgment toward overall excellence service (zeithmal 1987: Parasuraman, Zethmal, Berry 1988).

Consumer perception, according to Schiffman and kanuk (2009) is as the process which individuals select, organize, and interpret stimuli into a meaningful and coherent picture of the world. Perception became a strategy for marketers because consumers make decision based on their perception.

As it shown in figure 2.3, perceived quality is a part of customer satisfaction since service quality is concentrated on dimensionsof service. Whereas, satisfaction is influenced by perception of service quality, product quality, and price, as well as with situational factors and personal factors (Parasuraman et al, 1988).
In retaliation on Figure 2.3, Parasuraman, Zeithaml, & Berry (1988) explained that service quality concerns evaluation of service that give the impact on customer’s perception. The five dimensions of service quality that become the critical points of evaluation are reliability, assurance, responsiveness, empathy, and tangibles. While satisfaction is influenced by perceptions of service quality, product quality, and price, as well as situational factors and personal factors.

2.2 Service Quality

The research on Service quality has been an interesting subject of discussion for more than the last two decades. The interesting part of service quality is the abstract concept service which makes service quality as a complex subject. It is not easy to be measured service quality. The difficulties of measuring service quality are due to the changes of individual preferences. The changing of individual preferences is as the result of time changing (Saurina & Coenders, 2002).

Service quality is as a key to success for a firm in differentiating itself from competitors (Jamal & Anastasiadou, 2009). Several studies had proved that good service quality leads to the customer retention and the attraction, reduced costs, build corporate image, positive word-of-mouth recommendation, and profitability (Cronin, Brady & Hult, 2000; Kang & James, 2004; Yoon & Suh, 2004).

Service quality is defined as customer’s perception of how well a service meets or exceeds their expectation (Zeithaml, Parasuraman, & Berry, 1990). Service quality is also a critical element of customer perceptions that link customer satisfaction and become the significant elements in customer’s evaluation of service (Zeithmal, Bitner, & Gremler, 2009). The importance of Service quality is when it comes in measuring customer satisfaction by matching their perception with expectation of service quality. SERVQUAL measurement become a tool that remains the most complete attempt to conceptualize and measure service quality (Zeithaml et al., 2009).

The purpose of designing SERVQUAL scale as Schiffman & Kanuk (2010) explained that the SERVQUAL scale was to measure the gap between customer’s expectations and perceptions of the actual service delivery by referring to five dimensions of SERVQUAL. In addition, SERVQUAL it is an
efficient model in helping an organization in bridging the gap between perceived and expected service.

In 1985, Parasuraman had identified 97 items with spread all over the 10 dimensions on service quality. However, Parasuraman, Zeithaml & Berry (1988) had conducted data collection and scale purification on the 97 items attributes. It resulted that the 97 items were reduced to 22 items located among five dimensions of service quality. These five dimensions of service quality are: tangible, responsiveness, empathy, assurance and reliability. The SERVQUAL model then transformed into five dimensions. The five dimensions of SERVQUAL as the representation of the important dimensions in customers’ eyes. The five dimensions of service quality are as reference point of customers’ perception. (Please see Table 2.2)

**SERVQUAL’s Five Dimension**

<table>
<thead>
<tr>
<th>SERVQUAL DIMENSION</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability</td>
<td>The ability of service provider to perform the promised service dependably and accurately.</td>
</tr>
<tr>
<td>Assurance</td>
<td>The employees’ Knowledge and courtesy; their ability inspire trust and confidence.</td>
</tr>
<tr>
<td>Tangibles</td>
<td>appearance of physical facilities, equipment, personnel and written materials.</td>
</tr>
<tr>
<td>Empathy</td>
<td>Caring, individualized attention given to customers.</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>The employees have willingness to help customer and provide prompt service.</td>
</tr>
</tbody>
</table>

Parasuraman, Zeithaml and Berry (1988).

The five dimension of Service Quality are composed by two groups: the first group is the outcome dimension. Outcome dimension is focused on the reliable delivery of the core service. The second group is the process dimension. The process dimension focuses on how core service is delivered (employees’ responsiveness, assurance, and empathy in handling customers) and the service tangible aspects (Schiffman and Kanuk, 2010).

Figure 2.3 captured RATER model. The five dimensions of service quality are believed to be the core criteria of customers’ evaluation of service quality. Customers’ evaluation of service is based on their expectations and the customers’ perception of service quality. Accordingly, Berry, Zeithaml and Parasuraman (1985) added that the connection between customer’s expected service and attributes that directly affect customer’s expectations. The attributes of customer expectations are word of mouth advertising, personal needs, past experiences, and external communications.
**Figure 2.1 Rater Model**
Zeithaml, Parasuraman & Berry, 1985

The Service quality model pictures a comprehensive conceptualization of service quality with an instrument to measure perceived service quality (Amin & Isa, 2008). Afterward, SERVQUAL is a well-known model for academics and practices to assess the customer perception of service quality for a variety of service industries. The applications of SERVQUAL have been tested and used to measure quality of service in different service sectors, such as in banking sector (Poolthong & Mandhachitara, 2009), hospitality sectors (Nadir & Hussain, 2005), airline service (Sultan & Simpson, 2000), health care services (Baker, Akgun & Assaf, 2008; Aagja & Garg, 2010; Untachai, 2013).

### 2.3 Subjective Culture

Subjective culture is a physiological construct (Petia, 2009), it describes the way, and how the culture affects behavioural patterns of the people who share and experiences the same culture (Triandis, 1994). Triandis developed a model of subjective culture that related with social behavior. He believed that this model was potential to be adapted with consumer behavior concept. This model brings the psychology as the process that intervene the links between cultures and social behavior. Subjective culture itself represents the categorizations, associations, norms, roles, and values in a culture (Triandis, 1994). Subjective culture is reflected by the individual’s perception of the elements of the culture system (Dorfman and Howell, 1988). Straub, Evaristo, Karahanna, & Srite (2002) stated that culture can reveal itself at different perceived or Subjective culture.

Triandis (1994) constructed a model of subjective culture which he related with social behaviour concept. He believed that this model was a good model to be adapted in consumer behaviour domain. This model highlighted the psychology as the process that intervene the links between cultures to social behaviour. Subjective culture represents the categorizations, associations, norms, roles, and values in a culture (Triandis, 1994). Subjective culture is reflected by the individual’s perception of the elements of the culture system (Dorfman and Howell, 1988). Straub, Evaristo, Karahanna, & Srite (2002) stated that culture can reveal itself at different perceived or Subjective culture. Subjective culture itself composed by the elements that link the pattern of action and values. The element of Subjective culture is: categories, association, beliefs, attitudes, norms, roles, tasks, values, and value orientation (Triandis, 2002).

### 3. Hypotheses

Service quality is as one of the determinant factor for success of every organization, including for organization that deal in service sector. The important aspect of service quality is service quality has direct influence on customer satisfaction and perception (Alrubaiee & Alkaa’ida, 2011). Furthermore, perceived service quality is also had the great ability in impacting customer loyalty and word-of-mouth (Andaleeb, 2001). Because of that, to improve the service quality of an organization, the perception on service quality must always be considered.

Service quality is grounded on the idea that the quality is consumers’ subjective assessment toward service delivery. Consumers’ perception of service quality are closely relied on the size and direction of the distance that lies between customers expectation to receive and perceived service (Kumar et al., 2009).

**Hypothesis 1:** Service Quality has direct impact on Consumer’s Perception.
There were some studies that investigated the connection between the service quality and culture. Many past researchers found that the consumers’ perceptions of service quality are vary between one country and another. Service providers need to be culturally aware toward the consumers’ wants and need of service encounter (Bang,Taylor & Moon, 2005; Donthu & Yoo, 1998; Malhotra, Ulgado, Agarwal, Shainesh & Wu, 2005). Culture play the important role in understanding why people’s behaviour can be difference across cultures (Kanastakis & Voyer, 2014). Since service quality is also can be defined as consumer perception (Zeithmal et al., 1990). In connection between subjective culture and perception, Zeithmal et al (2009) mentioned that perception is as subjective assessment which influence by the subjective side of the customers.

Throughout the study on the relationship between culture and service quality perception, Furrer, et all (2000) found that consumers’ perception of service quality are varies depend on a cultural group. Culture is attached into person’s lives and culture also influences the decisions making process. In addition, culture is not only influences people’s behaviour, but it also give the effects on the rationalization process (Patterson & Mattila, 2008). It can be said that, culture shapes people’s perception of service quality (Seo, 2012).

Subjective Culture is became the background of subjective assessment consumer perception. As was cited by Schiffman and kanuk (2010) in the relationship between culture and consumer perception, “Consumer both view themselves in the context of culture and react to their environment based upon the cultural framework that they bring to that experience. Based on the explanation before came up the reason why people perceive the world through their own cultural point a view” (Ueltschy and Krampf, 2001). The subjective side of the consumer is what as the element of subjective culture such as; belief, norms, roles, tasks, values, and value orientation. (Triandis, 2002).

Hypothesis 2: Subjective Culture influences the relationship between service quality and consumer’s perception.

4. Methodology

This paper is a conceptual paper that aimed to analyze the influence of subjective culture on service quality perception. In this study the writer conducting the secondary data research as the based for analyzing the links between variables. The objective of this conceptual paper is to examine the effect of Subjective culture on the relationship between service quality and consumer’s perception. In this research, secondary data such as journals, articles, books were gathered thorough library research and online service.

5. Conclusion and Recommendation

In this highly competitive business environment, quality has become one of important aspect for all business sectors, including service sector. Providing high service quality to customers, enable a firm to differentiate it and gain a competitive advantage in the market (Wang, Lo & Hui, 2003). Now a day service quality becomes the differentiator in the marketplace. Service quality among the most critical aspects for the strategic management of firms (Ekinci et al. 2003).

Subjective culture is one of the reference point factor that can influence the customer in accepting or rejecting to use a service. The limitation of understanding the segmentation Culture of where the organization operates will also lead to the failure of the organizations to deliver the service that match with consumer inquiries. This statement of the problem derived from one of the service gaps from Parasuraman (1988), Parasuraman et all.(1985) develop the Service Quality Gap Model to identify and
analyze gaps between expected and perceived service of service performance.

In retaliation with this paper, one of the reasons of the occurrence of customer dissatisfaction is because of the lack knowledge of consumer cultural back ground such as demographic, psychographic, gender, and culture and subjective culture. The limitation of understanding of those factors lead to the failure of the organization management to deliver the service that match Consumers demand, referring to the variations of consumer perception of service quality in cultural differences, as well as remembering the important connection between subjective culture and Consumer Perception on service Quality.

In conclusion, it is important for the organization to learn about its consumer’s intern of their subjective culture such as belief, values, custom, religion, roles, tasks, and values. that shape the behaviour on consumption and evaluation of service. In this research, subjective culture is proposed has the ability to influence the relationship between consumer’s perceptions and service quality.

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Hall
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Influence of Supply Chain Linkages with BoP Enterprises on Market Knowledge Competence and Propensity to Internationalization of MNEs: A Measurement Model

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ARTICLE DETAILS

ABSTRACT

Objectives: There has been growing interest in network theory of internationalization as a means to achieve ‘cooperative advantage’ and ‘economies of networking’. Yet there is seldom any measurement model that may offer quantitative approach and tools to analyze role of supply chain linkages of Base of Pyramid (BoP) enterprises with MNE subsidiaries in host markets.

Design/Methods: The study makes use of statistical data reduction techniques such as factor analysis to test reliability and validity of the proposed model using data obtained through a structured questionnaire from supply chain/marketing managers of MNEs with backward and/or forward supply chain linkages with BoP firms in Pakistan.

Results: The study develops a measurement framework and structured questionnaire to analyze impact of sustainable/inclusive supply chain linkages as exogenous variable with the variables of subsidiary internationalization in host markets.

Implications/originality/value: The study offers implications for linking vast sector of micro and small enterprises with value chain network as economic agents of MNEs to support its innovation and market outreach strategy in a sustainable manner. Further empirical studies are needed to validate and extend the hypothesized relationships of proposed model of sustainable internationalization.

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1. Introduction

Concept and application of the Base of Pyramid (BoP hereafter) market initiated by Parhalad and Hart (2002) is under transition from potential consumer market (i.e. BoP 1.0) to producer-view of the poor
communities in developing markets (i.e. BoP 2.0). However, the concept of the poor to be business partners or entrepreneurs was being initiated by Hernando De Soto in 2000 before Prahalad’s contribution (Kolk et al., 2014). Multinational Enterprises (MNEs) are increasingly interested in engaging with BoP clusters as part of their global supply chain networks in their pursuit of sustainable competitiveness and internationalization. Yet much less economic or business rationale than the philanthropic one is available to managers in MNEs for engaging BoP suppliers and resellers in their supply chain networks.

Sustainability of economic systems and businesses models is gaining importance in academic research, public policy and business strategies (Sinkovics, Sinkovics & Yamin, 2014; Soete, 2014; Chataway, Hanlin & Kaplinsky, 2014; Oosterlaken, 2009). Emerging and developing economies are interested in promotion of inclusive entrepreneurship and inclusive entrepreneurship to alleviate poverty through market based economic policies. Emerging literature on Base of Pyramid (BoP) explains this new role of MNEs to partner poor communities in their supply chain network. Competitiveness of firm sector in the wake of globalization is also witnessing greater policy focus in developing and developed economies. MNEs are the focus of policy and research in the areas of BoP and competitiveness due to their central role in global supply chain clusters. MNEs, on the other hand, are also recognizing these developing and emerging economies as their potential target markets. Managers are concerned to align business strategies of MNEs with aspiration of policy makers in host market for effective expansion in these markets. Partnering with local firm through supply chain clusters in host markets is being seen as a useful strategic tool to enhance local embeddedness and internationalization in developing and Least Developing Countries (LDCs) markets (Meyer, Mudambi and Narula, 2011).

Pakistan like other developing Asian economies is also facing the problems of poverty, social exclusion and lack of competitiveness of firm sector (Hafeez Siddiqui et al, 2010; OECD &UNCTAD, 2013). The United Nations Conference on Trade and Development (UNCTAD) has also stressed the need for making economic growth more inclusive in its latest Least Developed Countries (LDCs) Report (2013). The report emphasizes the need for the 49 poorest countries in the world to make greater efforts to ensure that economic growth can help their poor. Many countries in Asia, such as Bhutan, Bangladesh and Afghanistan are also categorized as LDCs. Countries like Pakistan are, however, not far ahead and face very similar challenges in terms of achieving growth which can offer better opportunities to its deprived populace. With population of 180 million and vast natural resources, the country is seen as a potential target market by MNEs. State Bank of Pakistan (2012) in its annual report has also pointed to the need for inclusive growth policies enabling entrepreneurship and jobs at lower ends of the economy.

There is need of informed recommendations based on rigorous research about how effective alignment of firms at BoP with supply chain clusters of MNEs operating in Pakistan is expected to bring mutual fruits to both partners. There are some important studies regarding the engagement of MNEs in Pakistan with inclusive entrepreneurship and social development. Gold et al (2013) has given the example of Nestle Pakistan for creating shared value by engaging poor dairy farmers mostly women in its supply chain strategy. Sodhi and Tang (2016) have explained the role of micro and small firms in the BoP supply chain network with MNEs and other large firms. Present study takes its roots from the network theory of internationalization which explains the relationship between network membership and internationalization performance/strategy (Camison and Villar, 2009; Elg et al, 2008; Johanson and Vahlne, 2001; Johanson et al, 2012; Hosseini and Dadfar, 2012; Ngoma and Ntale, 2014). While this and other such studies point to the possible scope of MNE activity with respect to their pro-business contribution to BoP market in host markets yet the impact of supply chain linkages on MNEs’ internationalization performance is yet to be explained theoretically and with generalizable empirical evidence from Pakistan. Market knowledge competence has been a vital factor in driving
internationalization of MNEs in host markets specially with respect to network relationships and considerable developments have been made to operationalize it (Torkkeli 2013; Petersen, 2003; Barbosa et al, 2014; Bhatti et al, 2016, Casillas, 2015; Hohenthal et al, 2014; Ozkaya et al, 2015). However, there is need to link the construct of market knowledge competence to supply chain network linkages in BoP market.

Present study looks into the theoretical foundations of ‘doing well by doing good’ concept and examines the influence of BoP supply chain cluster linkages on MNEs competitiveness and internationalization strategy. The current study proposes model of engaging BoP firms into supply chain cluster by MNEs, as an exogenous variable, and relates it with their internationalization strategy in host markets with mediating role of market knowledge competence. Furthermore, this study is aimed to gather empirical data:

- To test the validity of latent constructs to measure study variables that hypothesize role of BoP supply chain cluster linkages on sustainable internationalization of MNEs in host market;
- To test validity and reliability of items used to measure various latent variables to ascertain the internal consistency.

Findings of the study will lead to development of valid and reliable measurement constructs to analyze the sustainability of MNE activity in host markets in terms of their relationship with BoP firms through supply chain linkages.

Figure 1  Relationship between BoP Supply Chain Network and MNEs’ Internationalization

3.1.  Research Methodology
The proposed model of study depicts a causal relationship between BoP supply chain linkages and propensity to internationalization along with mediating role of perceived market knowledge competence. An exploratory research design is used. The pilot test is a technique to pre-test the validity of latent constructs of proposed model of study and testing reliability of survey instrument before collecting actual data. It is a technique to measure the research variables from the sample to achieve the objectives of the studies. Pilot study is the quality control mechanism of research design to assess the validity and reliability of the data collection instrument. According to Gay, Mills & Airasian (2006), it involves a small scale study to analyze the measurement model and data collection instrument before going for the full-fledged study. Pilot study is the quality control mechanism of research design to assess the validity and reliability of the data collection instrument. The sample size for pilot studies can be comparatively smaller ranging from 30-40 respondents with better results to be expected as the sample size may increase. The present pilot study is conducted via 50 managerial level employees in the supply chain and marketing department of subsidiaries of foreign MNEs in food and beverages sector of Pakistan. Sample was taken from companies which have employed certain level of supply chain linkages with BoP enterprises in Pakistan. Data has been collected using structured questionnaire.
3.2. Measurement, Questionnaire Design and Data Collection Method

Table 1 mentions key variables of the study and their relationship direction taken from the proposed model depicting relationship between BoP supply chain linkages and MNEs propensity to internationalization. The list of latent variables and their corresponding measures related to hypothesized relationship has been mentioned in table 2. The indicators used to measure the latent constructs have been adapted from the previous studies mentioned in table 2 and the pre-test procedures to incorporate experts’ opinion. The multiple-indicator concept has been used in the designing of structured questionnaire which was administered through in person and mall intercept survey. Purpose of using multiple indicators has been to get reliable results on the latent variables that cannot be observed directly. Five-point likert scale was used to measure the indicators of research variables. The indicators have been selected based on their validity and reliability scores in the previous studies and on the basis of pilot study results. The nominal scale has been used to measure demographic characteristics of the managers. Structured questionnaire as data collection instrument was administered on a representative sample to obtain data and test the validity and reliability of latent constructs and their indicators (Bryman and Bell, 2015).

Table 1

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Mediating Variable</th>
<th>Dependent Variable</th>
<th>Control Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Inclusive supply chain linkages with BoP firms</td>
<td>• Perceived market knowledge competence</td>
<td>• Propensity to internationalization</td>
<td>• Manager’s position</td>
</tr>
<tr>
<td>• Upstream linkages</td>
<td></td>
<td></td>
<td>• Manager’s education</td>
</tr>
<tr>
<td>• Downstream linkages</td>
<td></td>
<td></td>
<td>• Manager’s training programs attended</td>
</tr>
<tr>
<td>• Horizontal linkages</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Inclusive innovation in supply chain linkages</td>
<td></td>
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</tr>
</tbody>
</table>

3.2.1. Validity and Reliability of Items and Scales

Once the tentative questionnaire reconstructed, the next vital step was to look into the validity and reliability of items used to measure various latent variables in the data collection instrument. While external validity of results i.e. generalizability is best ensured by sampling strategy, the internal validity corresponds to the truthfulness of the items to represent variable. This is also referred to as task of establishing goodness of measures. Validity refers to whether the item or construct used to measure a variable is measuring it correctly or not (Babbie, 2013). According to Sekaran (2016), the measurement scales used to measure items can be imperfect and thereby may lead to errors.
In present study, the items used to measure latent constructs of propensity to internationalization, perceived market knowledge, inclusive innovation, inclusive supply chain linkages and its variants backward, forward and horizontal have been pilot tested before starting the actual field work.

During the pilot testing phase of the study, exploratory factor analysis along with other measures of reliability and validity were run to identify the valid and reliable items to be included in the proposed...
model. The expert opinion of experienced supply chain managers was also sought during the pilot testing in order to determine the need for additional items or identify week items.

3.3. Results
PLS software was used to run exploratory factor analysis (EFA) and other tests of validity and reliability to identify the valid constructs and the most valid and reliable items of each variable in the model. Since the proposed model of study consists of reflective measures for all dimensions, the internal consistency measured by reliability coefficient like Cronbach’s alpha and other statistical measures for the reliability are to be calculated for these constructs. According to Jarvis, MacKenzie & Podsakoff (2003), these tests screen items which are consistent and measuring the same phenomenon. The Cronbach’s alpha reliability coefficients were calculated for all measures. In overall terms, the pilot test attempted to ensure that the instrument to be used remains valid and reliable and also that it remains free of any measurement error.

3.3.1. Reliability Test
Reliability tests evaluate the level of consistency among several measurements which measure a given construct (Hair et al., 2010). The value of Cronbach’s alpha coefficient reflects the items’ internal consistency or reliability. A higher value obtained indicates higher consistency and thereby better ability of the items to measure the intended construct.

Table 3.4 presents the Cronbach’s alpha coefficient for all the constructs used in this study. It can be seen that almost all Cronbach’s alpha values are more than 0.6. According to Hair et al. (2010), the minimum acceptable limit is 0.6. Only for the construct ‘Subcontractor Linkages’, the Cronbach’s alpha coefficient is very low i.e. -0.150. This construct was also found low on the factor loading score representing low validity of its items. As a result this construct was deleted. This construct used to measure horizontal supply chain linkages between MNE and BoP firms along with the other another construct to measure the same. During the pre-test also, the experts opined that it is difficult to comprehend the difference between the construct ‘linkage with other BoP firms’ and linkages with BoP subcontractors’ and suggested to delete one of those to make the construct more comprehendible. All other items included in the instrument reflected an adequate level of internal consistency associated with their respective measures.

3.3.2. Construct Validity
According to Churchill (1979) and Sekaran (2016), possessing an appropriate level of reliability score does not necessarily imply goodness of measurement represented by validity of the construct items. Validity of a construct refers to the extent to which the items measure what they are actually intended to measure (Nunnally & Bernstein, 1994). Content and construct validity measures are considered to be the most frequently used measures. Content validity by experts is mostly a judgmental assessment of the items, constructs, and instrument as a whole which have been developed and based on extensive literature. On the other hand, construct validity is performed to ascertain that a test is evaluating the construct it was actually supposed to.

Furthermore, construct validity is considered important to ensure overall validity. In order to evaluate the construct validity, factor analysis was conducted in this study using PLS. The objective of the factor analysis is to screen the items explaining same construct. All construct items and their factor loading were found sufficiently higher except for subcontractor linkages and therefore removes form the measurement model. Final measurement model and data collection instrument was designed based on the results of pilot study mentioned in table 3.
The proposed measurement model based on the results of the study has been depicted in figure 2. The model explains the structural relationship between supply chain linkages with BoP firms and propensity to internationalization of MNEs in host market. The model is augmented with the measurement indicators of each latent construct and the results of analysis obtained from the study.

Table 3  Constructs and Items: Measures of Reliability and Validity

<table>
<thead>
<tr>
<th>Construct and Items</th>
<th>Factor loading</th>
<th>Cronbach’s Alpha</th>
<th>Average Variance Extracted</th>
<th>Items Deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Propensity to Internationalization</td>
<td>0.849</td>
<td>0.573</td>
<td>Nil</td>
<td></td>
</tr>
<tr>
<td>ITZ1 Likelihood of increase in sales</td>
<td>0.850</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ITZ2 Possibility of increase in sales</td>
<td>0.612</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ITZ3 Likelihood of increase in jobs</td>
<td>0.783</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ITZ4 Possibility of increase in jobs</td>
<td>0.710</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ITZ5 Likelihood of increase in commercial presence</td>
<td>0.813</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ITZ6 Possibility of increase in commercial presence</td>
<td>0.750</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Knowledge Competence</td>
<td>0.811</td>
<td>0.515</td>
<td>Nil</td>
<td></td>
</tr>
<tr>
<td>MK1 Knowledge about customers</td>
<td>0.782</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MK2 Knowledge about competitors</td>
<td>0.751</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MK3 Knowledge about local market environment</td>
<td>0.703</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MK4 Knowledge about supply chain activities</td>
<td>0.776</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MK5 Communication system to integrate with BoP</td>
<td>0.633</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MK6 Alliance learning in BoP supply chain linkages</td>
<td>0.647</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inclusive Supply chain Linkages with BoP</td>
<td>0.708</td>
<td>0.635</td>
<td>Nil</td>
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</tr>
<tr>
<td>IS1 Supply chain linkages with BoP suppliers</td>
<td>0.870</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IS2 Supply chain linkages with BoP resellers</td>
<td>0.720</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IS3 Supply chain linkages with other BoP firms</td>
<td>0.793</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Inclusive Innovation in BoP Supply Chain Cluster</td>
<td>0.861</td>
<td>0.782</td>
<td>Nil</td>
<td></td>
</tr>
<tr>
<td>II1 Innovation relevant for BoP firms</td>
<td>0.883</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>II2 Innovation that involves BoP firms</td>
<td>0.885</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>II3 Innovation that benefits BoP firms</td>
<td>0.886</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forward Linkages with BoP firms</td>
<td>0.755</td>
<td>0.577</td>
<td>Nil</td>
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</tr>
<tr>
<td>FL1 Exchange of information and experience</td>
<td>0.822</td>
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<td></td>
</tr>
<tr>
<td>FL2 Negotiation of payment and delivery</td>
<td>0.719</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>FL3 Joint marketing</td>
<td>0.750</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FL4 Training participation</td>
<td>0.743</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Horizontal Linkages with BoP firms</td>
<td>0.743</td>
<td>0.562</td>
<td>Nil</td>
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</tr>
<tr>
<td>HL1 Exchange of information and experience</td>
<td>0.819</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>HL2 Negotiation of payment and delivery</td>
<td>0.756</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HL3 Joint marketing</td>
<td>0.711</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HL4 Training participation</td>
<td>0.706</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subcontractor Linkages with BoP firms</td>
<td>-0.150</td>
<td>0.294</td>
<td>Removed</td>
<td></td>
</tr>
<tr>
<td>SL1 Exchange of information and experience</td>
<td>0.110</td>
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<td></td>
<td></td>
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<tr>
<td>SL2 Negotiation of payment and delivery</td>
<td>0.885</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>SL3 Joint marketing</td>
<td>-0.293</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SL4 Training participation</td>
<td>0.213</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Backward Linkages with BoP firms</td>
<td>0.863</td>
<td>0.787</td>
<td>Nil</td>
<td></td>
</tr>
<tr>
<td>BL1 Exchange of information and experience</td>
<td>0.868</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>BL2 Negotiation of payment and delivery</td>
<td>0.776</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BL3 Joint marketing</td>
<td>0.855</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BL4 Training participation</td>
<td>0.863</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.4. Conclusion

This paper describes the theoretical framework and measurement model to analyze the relationship between supply chain linkages with BoP firms in host market and MNEs internationalization strategy. The model postulates perceived market knowledge competence as the mediating variable in the relationship between BoP supply chain linkages with micro and small firms in host market and MNEs internationalization strategy in host market. The reliability and validity of latent variables and their indicators has been examined to refine the measurement model and questionnaire tool for further surveying. In addition to the practical implications for MNEs strategies in developing host markets, the findings of the study will be useful for further quantitative studies in the area of firms’ internationalization especially in relations to their supply chain linkages with local firms in host market.

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