INTRODUCTION

Journal of Business and Social Review in Emerging Economies (ISSN: 2519-089X & eISSN: 2519-0326) is a peer-reviewed research journal published bi-annually by CSRC Publishing, Center for Sustainability Research and Consultancy Pakistan. The journal is independently managed by the advisory board and associate fellows of CSRC comprising of distinguished faculty at higher education institutions. 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 economies. The journal specially welcomes submissions which cover the topical areas related to sustainable business and society.

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Issues of sustainable economic development are mainly interwoven into economic policies and dynamics of business markets in emerging and developing economies. With this background JBSEE aims to be a premier forum for policy and theoretical discussion of high impact research in emerging economies. 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 economies. The journal specially welcomes submissions which cover the topical areas related to sustainable business and society.
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Solar Energy in the Logistics Sector: Assessments on Turkey

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ABSTRACT

The fact that the current energy production resources have a tendency to be extinguished rapidly, the raw material prices have increased, their negative effects on the environment and human health, some difficulties in their use have increased the studies conducted on new and renewable energy sources in recent years. Among the renewable energy technologies, even though it is somewhat expensive, the easiest technology in terms of design and installation is the photovoltaic technology which is an application of solar energy. But its real superiority arises from the fact that it is a technology that does not pollute the environment, is environmentally friendly and has low maintenance costs. The use of solar energy has increased considerably with the increase in the use of renewable energy sources in the world and our country in recent years and the roofs have had the largest share in this regard. Considering that more than 50% of the installed facilities in Germany and Italy, which are the starting point of solar energy in Europe, are on the roofs, the roofs have an important place in the increase of solar energy usage. Turkey is in a fortunate situation compared to many countries in terms of the solar energy potential due to its geographical location. South Eastern Anatolia Region is the region that receives the most solar energy; this is followed by the Mediterranean Region. The logistics sector has recently been one of the sectors in which solar energy is widely used in the world and in Turkey. In particular, significant reductions have been achieved in logistics costs with the solar energy systems installed on the roofs of the logistics warehouses, this event has increased the competitiveness of the companies. It is also known that solar energy has been started to be used in transportation activities and there are R & D studies for increasing road vehicles and cargo ships working with solar energy. In addition, efforts are being made to improve the solar-powered highways which strengthen the transport infrastructure and the logistics processes and these applications are becoming widespread. In the study, solar energy which is one of the most interested ones among renewable energy forms and photovoltaic technology producing electrical energy using it will be discussed in this context, and then the current situation in Turkey and the World will be presented.

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1. Introduction
The fact that the energy prices continuously increase due to the political developments in the world and that the fossil fuels will be consumed away after a certain period of time and that their production is quite expensive makes it necessary to determine the alternative energy resources and make use of these resources in high efficiency. The largely use of non-renewable energy resources in the world has significantly increased environmental problems. Therefore, the tendency towards renewable energy sources with low environmental impact has become advantageous in all respects (Anonymous 2018a). Energy resources are divided into "primary" and "secondary energy resources" in terms of changing or not changing their qualities. Primary energy resources are the resources that can be used without being modified as they are in nature. For example; coal, lignite, oil, natural gas, geothermal energy, hydraulic energy, solar energy, wood, animal and plant residues are this type of energy resources. Secondary energy sources are the types of energy obtained by treating the primary resources through various processes. For example, electric energy, diesel, gasoline, kerosene, etc. are such type of energy resources. The United Nations collects energy resources in two main groups as "renewable" and "non-renewable" energy resources. Renewable energy resources are solar, wind, biomass, water power, wave power, ocean currents, geothermal energy (Figure 1). The non-renewable energy sources are defined as an energy resource in which the substance cannot be reused. Coal, petroleum, natural gas, and uranium are included in this group (Oluklulu 2001).

![Figure 1. Renewable Energy Resources (Anonymous 2018b).](image)

The fact that the current energy production resources have a tendency to exhaust rapidly, that the raw material prices increase, the negative impacts on the environment and human health, a number of difficulties in their use have increased the studies recently carried out on the new and the renewable energy resources (Özgöçmen 2007). The renewable energy resources are defined as the energy obtained from continuous or repetitive currents in the natural energy cycle, or as the energy flows of which space is filled in the speed at which they are used. (Öztürk and Kaya 2013).

2. Solar Energy in the World and in Turkey

2.1 Solar Energy in the World
The use of solar energy has increased considerably along with the increase in the use of renewable energy resources in the world and in our country in recent years and the roofs have taken the biggest share in this issue. Considering that more than 50% of the installed facilities existing at present in Germany and Italy which are the starting point of solar energy in Europe are on the roofs, roofs have an important place in the increase of solar energy usage. The regions and countries that receive the sunlight the most: a large part of Africa (especially the region known as Sahara Africa, the region which is completely desert), Australia and the middle region of America as the placed where the sun reaches the most are more advantageous than other regions of the world (Map 1a). Turkey having sunlight about 1500 to 2000 kWh on m² per year according to the scale on this map draws attention as a country which is far above the average and more advantageous. Almost all of the regions that receive sunlight are composed of deserts, these regions are remote from the residential and investment regions. On the other hand, even if an investment is made here, the transportation of the generated energy will require a second cost. Therefore, countries such as Turkey, Spain attract attention as the most advantageous countries of the world when we consider their investment opportunities, consumption centers and similar features.
Countries such as Germany, Denmark, and Spain are the pioneers of solar energy generation and technology in Europe. Germany, which is progressing on the path of becoming a global power, is an important country in the issue of solar energy (Map.1b). Denmark is also surprisingly come forward in the production of solar cells (Anonymous 2018c).

Map 1a. World Sun Light Map

Source: Anonymous 2018c

2.2 Solar Energy in Turkey

Due to its geographical location, our country is efficient in terms of solar energy potential compared to many countries. (GDRE, 2018). Solar energy is the most important source of natural energy for the countries in the Mediterranean zone, just like our country. Although our country is located in a region which is called as solar zone and rich in solar energy, solar energy is not sufficiently benefited (Öztürk 2008b). In our country, it is unfortunately seen that solar energy is mostly utilized for hot water supply.

Map 2. The atlas of solar energy potential in Turkey

Source: General Directorate of Renewable Energy (GDRE), 2018

In the study titled "Turkey Solar Energy Potential Atlas" prepared by The General Directorate of Renewable Energy, it has been stated that the amount of solar radiation is between 1400 and 2000 kWh, although it shows regional variations (GDRE, 2018). According to another study carried out by GDRE utilizing the data about the sunshine duration and radiation intensity measured in the years of 1966-1982 which is in the General Directorate of State Meteorological Affairs (GDSMA), it has been determined that the average annual sunshine duration of Turkey has been 2640 hours (daily total of 7.2 hours), the average total radiation intensity has been 1311 kWh / m²-year (daily total of 3.6 kWh / m²). The monthly solar energy potential of Turkey and sunshine duration values have been given in Table 1 (GDRE, 2018).

Table 1. Monthly Average Solar Potential Of Turkey

<table>
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<th>MONTHS</th>
<th>MONTHLY TOTAL SOLAR ENERGY</th>
<th>SUNSHINE DURATION</th>
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The distribution of solar energy potential and sunshine duration values by the regions have been given in Table 2. Accordingly, the region receiving the most solar energy in Turkey is the South Eastern Anatolian Region, the Mediterranean Coast follows this. However, it has been found out with the studies carried out later that these values are lower than the real potential of Turkey. Since 1992, GDRE and GDSMA have taken solar energy measurements for the purpose of measuring solar energy values in a healthier manner. As a result of the measurement activities in progress, it has been expected that the former values of the solar energy potential of Turkey will come out to be more than 20-25%. It can be expressed that the data used in the Solar Energy Potential Atlas is more accurate in this framework. (GDRE, 2018).

Table 2. The Distribution of the Total Annual Solar Energy Potential By Regions

<table>
<thead>
<tr>
<th>REGION</th>
<th>TOTAL SOLAR ENERGY (kWh/m2-year)</th>
<th>SUNSHINE DURATION (hour/year)</th>
</tr>
</thead>
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<tr>
<td>SOUTH EASTERN ANATOLIA</td>
<td>1460</td>
<td>2993</td>
</tr>
<tr>
<td>MEDITERRANEAN</td>
<td>1390</td>
<td>2956</td>
</tr>
<tr>
<td>EASTERN ANATOLIA</td>
<td>1365</td>
<td>2664</td>
</tr>
<tr>
<td>MIDDLE ANATOLIA</td>
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<td>2628</td>
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Source: GDRE, 2018

3. Photovoltaic Technology

All renewable energy resources on the earth are generated by the effect of solar radiation which can be converted directly or indirectly into energy by using different technologies. Although it is the most expensive renewable energy technology, the "photovoltaic" technology is the easiest energy technology in terms of design and installation. But its main superiority arises from the fact that it is a technology that is environmentally friendly and does not pollute the environment and has low maintenance costs (Öztürk and Kaya 2013). The fact that there are no moving parts in this technology and that the system consists of very simple components is also an important advantage.
Photovoltaic is a combination of the words photo which means light in Greek and voltaic meaning tension which is inspired by Alessandra Volt who designed the machine that improves the electric current. Solar cells (photovoltaic cells) were first researched by Becquerel in 1839. Solar cells are designed from semiconductor materials that convert sunlight directly into electricity (Öztürk 2008b). The square, rectangular, circular-shaped solar cells have a surface area around 100 cm² in general, their thicknesses, especially in the most common silicon solar cells range between 0.20,4 mm (Karamanav 2007). Figure 3 shows the Cell, Panel and Layout views of the Solar Panels.

Solar cells work based on the photovoltaic principle. That is, when the light falls on them, electrical voltages are formed at their ends. The source of the electrical energy supplied by the cell is the solar energy coming to its surface. Depending on the structure of the solar cell, solar energy can be converted into electrical energy with an efficiency between 5% and 20%. In order to increase the power output, a great number of solar cells are connected to each other in parallel or series and mounted on a surface. This structure is called a solar panel or photovoltaic panel. Depending on the power demand, the panels are connected in series or parallel to each other and a system is established ranging from a few Watts to Megawatts (Anonymous 2018e).

4. Solar Energy in the Logistics Sector and Examples of Application

Logistics; refers to all processes of a product from the first producer to the final consumer such as shipping, storage, customs clearance, packaging, and distribution.

Logistics is the most important cost item of all sectors, primarily as a textile, food, chemistry, chemistry. For this reason, R & D studies are carried out by the companies in to reduce the costs in all logistics services such as storage, customs clearance, and distribution, especially in transportation activities.
With the reduction of costs in the logistics sector, the green logistics concept has come to the forefront with the desire of keeping the damage given to the environment at a minimum level. Reducing the CO2 emissions by using renewable energy resources instead of fossil fuels in transportation services has been one of the main objectives of the logistics companies. Solar Energy which is one of the most important renewable energy resources has been used in many areas in the logistics sector.

Solar Energy is one of the most important renewable energy resources that increases efficiency and reduces costs in the Logistics Sector. Solar energy is used extensively in the following logistics service areas;

1. Transportation Services
2. Storage Services
3. Infrastructure services for logistics services

4.1 Transportation Services
Solar energy has begun to be used on all of the vehicles in all modes of transportation including mainly highway, airway, maritime and railway. The use of the solar energy systems in transportation services which is one of the logistic services that have the highest damage to the environment is an important opportunity for both minimizing the negative effects on the environment and reducing the costs.

The use of flexible solar modules in highway transportation can be given as examples of solar energy use. By mounting the solar modules on the roofs of the highway transportation vehicles, the batteries are ensured to be ready for continuous use. At the same time, the batteries are prevented from getting overcharged (Taşıyanlar, 2017). The vehicle named Tesla Semi is another example for the use of solar energy in highway transportation in the recent period. This vehicle is introduced as an 18-wheel trailer making 805 km with its huge battery charged with solar energy, carrying a load of 17.5 tons and with a height of 2 meters. (NTV, 2017).

The other mode of transportation in which solar energy is currently being used most intensively is the maritime transportation. The EMERALD ACE which is a Ro-Ro vessel using renewable energy, launched by the Panasonic Company in 2010 together with Mitsui O.S.K. Lines Ltd. (MOL) and Mitsubishi Heavy Industries Ltd. (MHI) is able to generate its own energy with the hybrid electric power when it is anchored, meanwhile, can also prevent carbon emissions by turning off its diesel engines. The high-performance HIT solar modules of Panasonic and (160 KW) and lithium-ion batteries (approx. 2.2MWh) are used onboard to obtain electrical energy. By using the energy generated by HIT solar modules and stored in lithium-ion batteries while the vessel is anchored, the diesel power generators of the vessel can be switched off. And this reduces the environmental impact and carbon emissions of the vessel. (MOL, 2012).
Another mode of transportation in which solar energy is used is a railway transportation. The Indian Railways has started to use solar energy in railway transportation to reduce the carbon footprint of the trains. Within the scope of the planned new project, by coating the upper part of the train running on the railways with solar panels, it has been intended to produce about 20 kWh that the train requires for the internal need. It has been planned to use the produced energy in the operations of the train such as lighting, door operation, checking passenger information, and also to storing energy in the battery pack of 120 Ah. In this way, the operation of the electrical systems of the train at night is made possible without the need for diesel fuel. (ekoloji, 2017).

Vehicles on which the solar energy is going to be used in the air transport have still been at the stage of designing. French designer Daphnis Fournier has been trying to design an environmentally friendly aircraft that makes air transportation more efficient with the project called "Ecological Aircraft Design Concept". With the concept of aircraft being designed, it is expected that the aircraft of the transporters will carry out their operations by spending less energy. (Habertürk, 2017).

4.2 Storage
The increasing efficiency of the solar panels along with the developing technology has been improving the storage of the generated electricity and its use in the facilities every other day. The solar panels used previously only for heating the water have reached the state of being able to operate all of the electrical appliances at homes. These developments encourage companies producing goods and services to use solar energy systems. Today, the warehouse enterprises offering logistics services are among the ones take advantage of the solar energy systems. (Knez et al., 2011). Although their number is not high yet, the warehouse facilities with the photovoltaic systems installed on their roofs meet all of their electrical needs in this way. It has been observed that the demand for the photovoltaic systems is much more especially in the cold air depots that consume more electricity. The depots shown in Figures 4a and 4b can be given as examples of warehouses that provide logistic services and use solar energy.
4.3 Logistics Infrastructure

Solar energy is also used in the scope of improving the infrastructure for providing logistics services along with the transportation and storage services. For example, the first solar-energy powered road called "Wattway" which is 1 km long has been constructed in the town called Tourouvre-au-Perche in the Normandy region. More than 2000 drivers in 2 years have tested the road covering an area of 100 square kilometers and costing 5.2 million dollars. It is stated that the road that can even operate the street lamps can also meet the electricity needs of a village with a population of 3400 at the same time. This region receives strong sunshine only 44 days per year. Wattway is shown in Picture 5 (Science and Techno, 2017).

Another solar-energy powered road applications are seen in China. China, which makes a great number of its investments in renewable energy through solar energy, presents the solar-energy powered road seen in Photo 6. The 2-kilometer-long road built in the city of Jinan where around 7 million people live and is located at an important point for the transport network of China has been planned as it will initially generate electricity for the houses in its surroundings, and in the following years it will be able to directly charge the vehicles traveling on it along with the development of wireless charging technology for electric vehicles (Şahiner, 2017).

China has also been working on the first solar-powered super-highway to produce electricity through sunlight. The 100-mile (160 km) long highway has been planned to connect three large cities in eastern China. This motorway is being built to be able to charge the electric cars and allow the drivers to continue to drive without stopping. The first part of the superhighway with a cost of 17.4 billion yuan (2 billion euros) is expected to be opened in 2021. In the long term, it is stated that an intelligent traffic control system will be installed on the highway and vehicles and thus the autonomous vehicles can also be supported (Binay, 2018).

5. Solar Energy in Logistics Sector in Turkey and Its Applications

The use of solar energy in the logistics sector in Turkey is not as intensive as it is in developed countries. When it is evaluated in terms of services provided in the logistics sector, it is seen that it is preferred mostly in storage and warehouse services.
Recently, the rising momentum of solar energy has started to attract the attention of logistic companies and warehouse operators, especially those having large roof areas, and the companies have started to use solar energy in their warehouses.

Although their numbers are low yet, the storage facilities that the photovoltaic systems have been installed on their roofs meet all of their electricity needs this way. It is seen that there is more demand for solar energy usage especially in cold storage depots that consume more electricity.

On the roofs of the storage and warehouse in the Samsunport port area of the Cey Group which launched an important project within the context of "Green Port" in 2018, the first solar energy power plant with the production capacity of 2MW constructed on the port area has started electricity generation in January (Solarist, 2018).

With the use of 8 thousand 448 units of monocrystal type solar panels with a high efficiency rate on the roof area of 23 thousand 500 square meters, it has been planned to actualize an electricity production of approximately 2 million 800 thousand kWh per year and a reduction of approximately 32 million kg CO2 emissions in 30 years. It is aimed to contribute to the protection of the environment by using SES to generate electricity equivalent to the electricity need of approximately 2 thousand dwellings.

One of the largest on-the-roof photovoltaic power plants installed by Reysaş Logistics on the roof of the warehouse in the town of Torbalı provides service with its production capacity of 840 kilowatts (Reysaş Logistics, 2014).

6. Conclusion
Renewable energy is the energy that can be obtained from the resources in nature and can be permanently supplemented by nature. Solar Energy is one of the most preferred systems on the issue of renewable energy resources since it is never consumed away. Solar energy is an environmentally clean resource of energy, natural materials are used, very economical, not dependent on external resources and every country can use. Countries such as Germany, Denmark, and Spain are the pioneers of solar energy generation and technology in Europe. Germany, which is on the path of becoming a global power, is an important country in this solar energy issue. In our country,
the region that receives the highest solar energy is the South Eastern Anatolia Region, the Mediterranean Region follows this. The first thing that comes to mind in the generation of electricity from solar energy is the solar cells, namely the photovoltaic cells, that convert the sun rays into the form of electricity. Solar cells work based on the photovoltaic principle. That is, when the light falls on them, an electrical voltage is formed at their ends. The source of the electrical energy supplied by the cell is the solar energy coming onto its surface. Depending on the power demand, by connecting the modules to each other in series or parallel, a system is built from a few Watts to Megawatts.

The use of solar energy in the logistics sector in Turkey is not as intensive as it is in developed countries. When it is evaluated in terms of services provided in the logistics sector, it is seen that it is preferred mostly in storage and warehouse services. Recently, the rising momentum of solar energy has started to attract the attention of logistic companies and warehouse operators, especially of those having large roof areas, and the companies have started to use solar energy in their warehouses. Although their number is low yet, the warehouse facilities that the photovoltaic systems have been installed on the roofs meet all their electricity needs this way. It is seen that there is more demand for solar energy usage especially in the cold storage depots that consume more electricity.

References


The Effect of Lean Manufacturing on the Financial Performance: Case of the Manufacturing Companies in South Lebanon

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ARTICLE DETAILS

ABSTRACT

Businesses have been trying to implement new business initiatives such as lean manufacturing to stay alive in the latest competitive market place. Such initiative concentrates on cost reduction by removing the non-value added activities to achieve better financial performance. This study examined the effect of lean manufacturing on financial performance from the perspective of managers in the industrial sector in South Lebanon. The methodology of this study was quantitative in which 152 self-administered questionnaires were distributed randomly among managers. The data was analyzed using SPSS software. Descriptive statistics were identified and proposed hypotheses were tested using Pearson correlation and regression analysis. The results showed that lean manufacturing has a significant and positive effect on financial performance. Future studies are encouraged to expand the research to other regions in Lebanon over a longer time horizon and apply different quality improvement tools.

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1. Introduction

One of the main contributors to the economy is the manufacturing sector as it has the most important role and a significant influence over the economic development of any country at both local and international level (Matar and Eneizan, 2018). Currently and due to the rapid changing era and in the global competition, only those companies can compete and achieve their performance by focusing on costs and quality. Thus, companies today are seeking to compete through quality management for improved efficiency in operational, innovation and financial performance. Such strategies allow manufacturing firms to advance quality, eliminate costs and enhance customers’ service.

Lean Manufacturing is the backbone of efficient manufacturing and is significant to the achievement of manufacturing firm by turning the waste into profit. Therefore Manufacturing firms should recognize wastes in every manufacturing operation and proposes accurate solutions for eliminating them and consequently improving the profitability of the firm (Marguarossian, 2017; Mwelu, et al., 2014; Moori, et al., 2013).
The present business situation colored by strong competition and alarming rise in the cost of raw materials, has notified many manufacturing companies to follow programs that would reduce waste and diminish manufacturing costs (Marguarossian, 2017).

Since 1975, Lebanon is moving from one conflict to another, the economy is going through hurtful cycle driven by extreme volatility relying on inflows rather on productive sectors, in addition to corruption and fiscal challenges driving un-conducive business environment. The quality of Moving to the Lebanese infrastructure, it is amongst the poorest in the world, ranked 130 out of 137 countries (Kemayel, 2015). The country’s obligation burden as well as the lack of official budgets from 2005 to 2016, has resulted in a huge fall in public spending on infrastructure. Moreover, according to Transparency International (2017), it is indicated that Lebanon is one of the most corrupt countries in the world, which intensifies inequalities, but also affects badly the business climate and foreign investment. Businesses are hindered by different networks that monopolize the economy and avoid competitiveness (OECD, 2018).

Overall the manufacturing sector is concentrated around key industries where food and beverages make up 26%, Factories manufacturing construction materials grabbed 12% of the total, while both of the Chemical and Furniture and Wood Products industries grabbed a similar 8% share of the total number of establishments (Hadhri et al., 2016). Consequently, Lebanon’s real Gross Domestic Product (GDP) growth fell from an average of 8 percent during the period 2007-2010 to an average of 1.5 percent during the period 2012-2018 (UNHCR, 2019). Throughout the last years, the GDP growth was stagnant and the government deficit became 9.3% of GDP. Furthermore, in 2018, poor growth was accompanied by large and increasing fiscal deficits, estimated at around 10 percent as public finances seriously deteriorated. High and rising fiscal deficits over the years, coupled with poor growth resulted in a debt-to-GDP of 152 percent by the end of 2018, the third highest in the world (UNDP, 2018).

According to Khlat, et al. (2014), Lebanon is looking forward for implementing lean principles but managers should be trained to the leadership style in lean implementation to learn how to spread a lean culture, organize communication strategy, assess application progress, motivate their employees and solve problems. However, Mazanai (2012) argued that with this growing global economy, cost effective manufacturing has become a necessity to stay competitive, businesses must be competent of manufacturing great quality goods at a low cost, and also deliver a first-class customer service. Lean manufacturing is one of these programs that concentrate on cost reduction by removing the on-value added activities (Abdullah, 2003).

Therefore, the main objective of this study is to identify to which extent the manufacturing companies in South Lebanon are implementing lean tools and to study the effect of lean manufacturing on the financial performance of these companies.

2. Literature Review
2.1 Lean Manufacturing

The word lean refers “to a series of solutions to reduce waste and non-value tasks and enhance the value-added procedure”. As the concept, lean is originated from Toyota production system and the main idea of TPS is to create the number of units needed, at the time needed and, in the amounts, needed, in a way, that unnecessary product portfolio can be removed. The main three goals of cost reduction are superior quality control, quality assurance and humanity respect. By this, the origin of TPS is the complete elimination of waste and two important pillar are need to encourage this TPS are JIT and automation- Jidoka (Durakovic et al., 2018). Hence, manufacturing companies are implementing lean methods in order to boost their financial and operational performance.

The core points of lean manufacturing is eliminating waste that occurs in the production process, creating quality into the production process, reducing costs and formulating tools that will increase value to the company’s functional performance (Durakovic et al., 2018). In practice, businesses after implementing lean find out that it is not an easy journal with an assured successful end. Unsuccessful lean implementation could have a huge effect on company’s resources and on employees and their confidence in lean philosophy. Many frameworks and roadmaps have been established to direct companies to implement and apply lean manufacturing philosophy (AlManei et al., 2017).

In fact, lean tools are used to enhance the manufacturing performance through responding to market demands in numerous dimensions, such as better-quality products, cost reduction and faster delivery. Therefore, shorter lead-
time is attained leading again to a faster respond time. The capability to deliver products quickly is one of the most important differentiators for companies implementing lean manufacturing. This reduction in money can be used in other places for other purposes resulting in lower working capital requirements and better financial performance (Mahmood, 2014).

2.2 Financial Performance
The main goal of investors while investing in a certain business is to improve their own wealth and value. Therefore, performance of companies must offer a clue of how wealthier a shareholder is due to an investment over a certain period. In financial terms, performance is based on how healthy a firm is and to what extent assets are used to generate revenues. Financial measurements are one of the essential keys to success, when implemented and applied correctly can change the organization. Financial measurement is vital for higher performance, success and improvement. Financial performance delivers a competitive advantage for firms using it in order to manage and direct systems, process and strategy with increasing consistency and efficiency. Each system in any company should emphasized by measurement making it such an important aspect (Sirviö, 2014).

Successful investments involve a careful evaluation of the investment’s possible returns and risks of loss. A company’s expected return and risk directly affect its share price. In every-day world, the risk of a certain investment would not be perceived independently from other assets. Any new investments should be studied in the light of their effect on returns and risks of the portfolio of assets. The financial analysis of the investment management permits investors to evaluate and measure the return and risk from individual investments (Baran et al., 2016).

The challenge of the industrial sector is to improve and enhance their business performance mainly in cost, productivity and quality in order to compete in the international market. From a research done by Fullerton in 2014, Fullerton indicates that there is a positive relationship between business performance and lean manufacturing where diverse conditions may lead to diverse results triggered by the effect of different factors. Financial measurements consist of return on investments, returns on assets, returns on equity, liquidity, profitability and cash flow (Ataalah et al., 2016).

2.3 Relationship between Lean Manufacturing and Financial Performance
With the increasing industry competitiveness, manufacturing firms are aiming for a better improvement in their industry by focusing on the specific needs of the companies, each company should be capable of applying tactics and strategies for the development of programs and fulfillment of gaps concerning the market specialized needs and the manufacturing abilities of the business. They should be well defined and clear in what they are planning to achieve improvements in the operational performance strategy.

In 2005 Melton identified key techniques and tools in the lean system such as Kanban, Single-Minute Exchange of Dies (SMED), 5S and many more that results in better manufacturing performance. Wilson, Bhuiyan, and Baghel in 2006 indicated that lean production was one of several oldest enhancement methodologies, offering high value to consumers using the greatest practices like Kanban, 5S and mistake proofing. Furthermore, Benson and Ahmad in 1999 identified that Kanban, just in time (JIT), total productive maintenance, SMED, and Poka-Yoke as the most suitable tools for enhancing manufacturing financial performance (Hasan et al., 2017).

Klassen and Corbet in their study about the impact of lean manufacturing on the firm’s sustainability showed better financial returns through gaining new customers, eliminating cost through reducing waste and competitive differentiation (Iranmanesh et al., 2019). According to Lenox and King (2001), in their study about lean manufacturing and environmental performance, discussed that lean practices contribute to financial performance by carrying down the managerial cost by lowering pollution, they agree that there is a positive relationship between financial performance and lean manufacturing (King and Lenox, 2001). Also, by using the survey of 711 companies from different industries through 23 countries and gathering data through 2005-2006, Matyusz and Demter established that companies implementing lean techniques and tools have greater inventory turnover and better financial performance from the companies that didn’t implement lean in its production (Demeter and Matyusz, 2010).

A similar study was conducted in 2015, Yousef, Abd-Elrahman and Hendy in their study aimed to assess the potential financial and operational improvements of applying lean manufacturing through lean accounting tools. By
using a case study on the cement factory of Misr Cement Co. in Egypt, they establish lean accounting tools such as Value Stream Cost (VSC) and Box Scores to examine the whole potential benefits of lean improvements. The result was a potential development and improvement in the flow of production because of removing waste and the bottleneck, therefore, enhancing the speed of response to the consumers and declining the product lifecycle and deficiencies (Yousef et al., 2015).

A survey done by Vilkas, Koreckaja, Katiliute, and Bagdoniene (2015) on adoption of lean production is made on 41 companies in Lithuanian. The primary data of questionnaire was used to collect the data. The results revealed that the production is planned to support quick introduction of new products and cost-effective mass customization resulting in a better operational and financial reports (Vilkas et al., 2015).

Respectively, the following research framework is developed and the following hypotheses are proposed:

**H1:** Lean manufacturing is positively and significantly correlated with financial performance of companies in South Lebanon.

**H2:** Lean manufacturing is significantly and positively affecting the financial performance of companies in South Lebanon.

![Research Framework](image)

3. Research Methodology
This is a correlational research since it studies the correlation among the variables mainly Lean Manufacturing and Financial Performance. A quantitative methodology was applied in order to reach larger sample of respondents. Moreover, this study adopts the descriptive analysis in order to recognize the description of the demographics of the sample being investigated. For testing the hypothesis and correlation, an explanatory type of research design is applied in order to test correlation and the hypothesis between the variables and consequently to explain the impact of lean manufacturing elements on financial performance.

According to the latest published reports by Ministry of Industry in Lebanon (MOI, 2017), the total number of industrial institutions in Lebanon is 4,703. In absence of detailed statistics about the distribution of these institutions by districts (Mohfaza), the researcher referred to latest statistics of published by MOI (2010). The results showed that total number of industrial institutions was 4033. Particularly, the distribution of industrial establishments by region as shown in Table 1 was 420 establishments.
As the objective of this research is to focus on manufacturing companies in South Lebanon, clustering sampling is first implemented to identify the target cluster, which is Saida region. Therefore, the target population of this study is 253 industrial institutions in Saida; South Lebanon. By referring to Morgan’s sample size table (1970), the best sample size suitable for this population is 152 at 95% confidence interval. Then, the participants of this survey will be selected based on random probability sampling to ensure diversity in respondents.

Structured, self-administered questionnaire were randomly distributed between April and May 2019. The questionnaire contained three main sections; Section “A” is about gaining general information about the participant, involving demographic information. Section “B” measures the attitudes of respondents on different lean implementation practices within the workplace. This part used multiple-choice questions and “five Likert-scale statements, ranging from 1 strongly disagree, to 5 strongly agree”. The measurement was based on 10 statements that were adapted from previous valid and reliable literature (Morris, 2011; Hung et al., 2011). As for section “C”, it measures the respondents’ opinion regarding financial performance of target companies.

4. Data Analysis

4.1 Descriptive Statistics

The software utilized for this study is SPSS. Based on the descriptive statistic results, the lean manufacturing variable has an average mean equal to 3.30 with standard deviation (0.915) Particularly, the mean of lean tools ranged between 2.55 (item 5) and 3.80 (item 10). This means that the minimum implemented tool is visual signs and most implemented tool is the computerization of processes. While financial performance has an average mean equal to 3.23 and standard deviation (1.090). Therefore, majority of respondents have answers ranging between neutral and agree (3-4 scale) about the extent of implementing lean tools and the current financial performance of their companies.

As for the demographic results, the total number of respondents of this study was 77 constituting 51 males and 18 females, which corresponding to 66.2 % and 23.4 % respectively and there is 10.4% missing. This indicates that regarding gender representation, male employees occupied almost greater number of positions than the females in the manufacturing companies. In addition, the age range 20– 30 years old represented 16.9 % of the sample populations, the age ranges 31 – 40 years old represented 31.2 % of the sample population, the age range of 41 – 50

---

Table 1: Distribution of industrial establishments by region (MOI, 2010)

<table>
<thead>
<tr>
<th>Caza</th>
<th>Nb. of establish.</th>
<th>% of total</th>
<th>Workforce</th>
<th>% of total</th>
<th>Area m²</th>
<th>% of total</th>
<th>Output (000$)</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matn</td>
<td>1,101</td>
<td>27.3%</td>
<td>21,136</td>
<td>25.5%</td>
<td>1,497,970</td>
<td>12.9%</td>
<td>1,546,303</td>
<td>22.7%</td>
</tr>
<tr>
<td>Zahleh</td>
<td>337</td>
<td>8.4%</td>
<td>8,056</td>
<td>9.7%</td>
<td>1,150,582</td>
<td>9.9%</td>
<td>463,106</td>
<td>6.8%</td>
</tr>
<tr>
<td>Aaleh</td>
<td>189</td>
<td>4.7%</td>
<td>7,900</td>
<td>9.5%</td>
<td>574,827</td>
<td>5.0%</td>
<td>881,481</td>
<td>13.0%</td>
</tr>
<tr>
<td>Kessrwan</td>
<td>173</td>
<td>4.3%</td>
<td>7,092</td>
<td>8.6%</td>
<td>622,907</td>
<td>5.4%</td>
<td>644,138</td>
<td>9.5%</td>
</tr>
<tr>
<td>Baabda</td>
<td>340</td>
<td>8.4%</td>
<td>6,504</td>
<td>7.9%</td>
<td>536,820</td>
<td>4.6%</td>
<td>368,623</td>
<td>5.4%</td>
</tr>
<tr>
<td>Jbeil</td>
<td>131</td>
<td>3.2%</td>
<td>5,224</td>
<td>6.3%</td>
<td>816,220</td>
<td>7.0%</td>
<td>801,827</td>
<td>11.8%</td>
</tr>
<tr>
<td>Beirut</td>
<td>239</td>
<td>5.9%</td>
<td>4,509</td>
<td>5.4%</td>
<td>231,399</td>
<td>2.0%</td>
<td>492,719</td>
<td>7.2%</td>
</tr>
<tr>
<td>Baalbeek</td>
<td>334</td>
<td>8.3%</td>
<td>4,069</td>
<td>4.9%</td>
<td>1,218,367</td>
<td>10.5%</td>
<td>163,375</td>
<td>2.4%</td>
</tr>
<tr>
<td>Saida</td>
<td>253</td>
<td>6.3%</td>
<td>3,335</td>
<td>4.0%</td>
<td>243,143</td>
<td>2.1%</td>
<td>263,885</td>
<td>3.9%</td>
</tr>
<tr>
<td>Chouf</td>
<td>76</td>
<td>1.9%</td>
<td>2,567</td>
<td>3.1%</td>
<td>1,352,733</td>
<td>11.7%</td>
<td>212,024</td>
<td>3.1%</td>
</tr>
<tr>
<td>Tripoli</td>
<td>149</td>
<td>3.7%</td>
<td>2,322</td>
<td>2.8%</td>
<td>79,475</td>
<td>0.7%</td>
<td>67,294</td>
<td>1.0%</td>
</tr>
<tr>
<td>Batroun</td>
<td>38</td>
<td>0.9%</td>
<td>1,928</td>
<td>2.3%</td>
<td>1,950,174</td>
<td>16.8%</td>
<td>505,006</td>
<td>7.4%</td>
</tr>
<tr>
<td>Other</td>
<td>673</td>
<td>16.7%</td>
<td>8,205</td>
<td>9.9%</td>
<td>1,326,342</td>
<td>10.6%</td>
<td>390,512</td>
<td>5.7%</td>
</tr>
<tr>
<td>Cazas</td>
<td>Total</td>
<td>4,033</td>
<td>100%</td>
<td>100%</td>
<td>11,600,959</td>
<td>100%</td>
<td>6,800,292</td>
<td>100%</td>
</tr>
</tbody>
</table>
years old represented 32.5% of the sample population, above 50 years old represents 9.1% and 10.4% missing. The percentages show that the industrial employees were of a wide spectrum age range.

Moreover, 41.6% of respondents had bachelor’s degree; 26% for BT/TS, 13 for High School, 6.5% for MBA, 2.6% for MPH.

In addition, the results showed that most of the respondents are those with 5 – 10 years of experience in the manufacturing sector represented 45.5% of the sample population. The second majority of respondents were those with between 11-20 years of experience accumulated 31.2% of the sample population. In addition, respondents with less than below 5 years of experience were 6.5%; those above 20 years of experience were 6.5% of the sample population. This indicates that these individuals had adequate knowledge and practice in the industrial sector represented in the study’s sample population. Finally, most respondents were Technicians where they represent 49.4% of the sample, and then administration represents 27.3% of the sample. Head of production department accounts for 7.8% percent of respondents respectfully, manufacture director accounts 5.2%.

4.2 Reliability and Validity Tests
Reliability test is measured through the Cronbach’s alpha which has shown a significant value 0.957 for the 15 items. This value is greater than 0.7, which is the minimum required value of statistical significance. Moreover, validity is measured through exploratory factor analysis (EFA). The “Kaiser-Meyer-Olkin” (KMO) measure of sampling adequacy should be more than 0.5 and the “Bartlett’s test of sphericity” should be significant at p < 0.05 (Hair et al., 2010; Bartlett et al., 2001). The following table 2 summarizes the results and hence, all KMO values are greater than 0.5 and validity of data is approved.

<table>
<thead>
<tr>
<th>Table 2: EFA results for Validity test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constructs</td>
</tr>
<tr>
<td>----------------------------------------</td>
</tr>
<tr>
<td>Lean Manufacturing</td>
</tr>
<tr>
<td>Financial performance</td>
</tr>
</tbody>
</table>

4.3 Correlation Tests
Table 3 shows the results of Pearson correlation test. Lean Manufacturing is significantly and positively correlated with financial performance (r=0.893; p=0.00<0.01). Therefore, H1 is accepted. The positive correlation exists by 89.3%, between the two variables indicating the relationship between them.

<table>
<thead>
<tr>
<th>Table 3: Correlation table between Lean Manufacturing and financial performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>TotalLeanMan Pearson Correlation</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td>N</td>
</tr>
<tr>
<td>TotalFP Pearson Correlation</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td>N</td>
</tr>
</tbody>
</table>

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

Regression analysis was conducted to empirically determine whether lean manufacturing was a statistically significant determinant of the financial income. As shown in the model summary table 4, the goodness fit for the regression between lean manufacturing and financial performance was significant. An R squared of 0.798 indicates that holding other factors constant, 79.8% of the variations in lean manufacturing were explained by the variations in financial performance.

Table 4: Model Fit

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>64.474</td>
<td>1</td>
<td>64.474</td>
<td>265.077</td>
<td>.000&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Residual</td>
<td>16.296</td>
<td>151</td>
<td>.243</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>80.770</td>
<td>152</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), TotalLeanMan
b. Dependent Variable: TotalFP

ANOVA statistics in the table 5 below indicated that the overall model was significant. The F statistics is 265.077, which could indicate the significant effect of lean manufacturing on financial performance. Therefore, the regression model is a good fit of the data and there is a statistical significance since the p value 0.000 is less than 0.05.

Table 5: ANOVA Test

<table>
<thead>
<tr>
<th>Model</th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
<th>95.0% Interval for B</th>
<th>Confidence Interval</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>.280</td>
<td>.224</td>
<td>-1.250</td>
<td>.216</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TotalLeanMan</td>
<td>1.065</td>
<td>.065</td>
<td>.893</td>
<td>16.261</td>
<td>.000</td>
<td>-.726</td>
<td>1.195</td>
<td>1.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: TotalFP

The second hypothesis H2 proposed that there is lean manufacturing significantly affects the financial performance. Based on the table 6 and table 7 below the regression coefficients and the chi-square tests indicate the positive effect of the independent variable, lean manufacturing, on the dependent variable, financial performance. The p value 0.000< 0.05, therefore the H2 is accepted.

Table 6: Regression coefficient

<table>
<thead>
<tr>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>438.485&lt;sup&gt;a&lt;/sup&gt;</td>
<td>348</td>
<td>.001</td>
</tr>
<tr>
<td>229.894</td>
<td>348</td>
<td>1.000</td>
</tr>
<tr>
<td>54.280</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>152</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 390 cells (100.0%) have expected count less than 5. The minimum expected count is .01.
5. Conclusion and Recommendations

The main objective of this research was to determine the relationship and effect of Lean Manufacturing and financial performance in the southern Lebanese firms. The concept of this study has been developed upon detecting a gap in the literature regarding the enhancement of the financial performance in the manufacturing firms in south Lebanon. Being integrated in a regular culture of principles, it seems to be difficult for companies to enhance and boost their financial performance and solving the problems and reducing the wastes at workplace, especially when there is lack of applying such tools and principle like Lean. The evidence provides also a strong support that the higher extent of lean practices implementation will bring to the manufacturing companies better financial performance since lean practices leads to better quality, flexibility, lead-time reduction, and cost reduction. In other words, the study findings led to the conclusion that an improvement in lean production practices such as having a constant improvement programs in terms of production, mechanization and use of just-in-time tools in production to remove all non-value added activities in their companies. In addition, having a synchronized production and delivery system throughout the supplier network, applying pull production based on demand, value stream in its system and quality control system on its production system results in a positive and significant improvement in the financial performance of the manufacturing firms in Lebanon.

Further research is needed to empirically validate this study due the importance of lean manufacturing in increasing the financial performance of the Lebanese companies. In addition, the results showed that lean tools related to visual signs are the least implemented tools, thus companies should focus more on training employees how to use these tools and get benefits from the cost reduction and high efficiency of production. All these practices will enhance the financial performance of the Lebanese manufacturing companies. Furthermore, the study recommends that the implementation process of lean practices should be given top priority during the company policy formulation. Adequate time and resources should be assigned in ensuring that the practices are implemented successfully.

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Table 7: Chi-Square Tests

<table>
<thead>
<tr>
<th>Mode</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>R Square Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F Change</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.895a</td>
<td>.798</td>
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a. Predictors: (Constant), TotalLeanMan
b. Dependent Variable: TotalFP


Nawanir, , Teong, T. and Othman, N. (2013) 'Impact of lean practices on operations performance and business


Uncovering the Systematic Genocide Against the Hausa-Fulani and Muslims Groups in Nigeria

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ARTICLE DETAILS

OBJECTIVE: The objective of this study is to uncover the systematic but neglected genocide against the majority Hausa-Fulani and Muslims groups of Nigeria and alert all the stakeholders.

METHODLOGY: The used qualitative research (non-statistical) design to investigate and uncover the genocide. Secondary sources were used for collection of the data from books, journals articles, press releases, rejoinders, public records and historical texts and materials; the data was also analysed using the qualitative and historical methods of data analysis.

RESULTS: The results show that over the years, there is factual systematic genocide against the Hausa-Fulani majority and the Muslims groups in Nigeria by the non-Muslims using various means and strategies – peaceful and violent, historical narratives, the media, public offices and positions; the various Nigerian state authorities have not been taking enough measures to avoid or stop the genocide. The genocidaires are and their actions are known to the Nigerian state authorities and in most instances move and operate with impunity.

IMPLICATION: The study found evident systematic genocide against the Hausa-Fulani and Muslims in Nigeria. Immediate and remote legal, political and socio-economic measures must be taken by the Nigerian state authorities as the situation is further degenerating, and threatens humanity, Nigeria’s unity and sustenance.

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1. Introduction

Humankinds, a naturally violent specie have throughout history, been characterized by violence, especially killing one another, as human psychology is created with the urge to humiliate, torment, wound and kill others (Glover, 1999:33). Thus, humans have come to terms with living in a world that requires, survives on and rewards aggression and violence (Alvarez, 2010:104). Genocide has also been part of the early history of humankinds on earth and with time, becomes more systematic, extensive and thorough (Jones, 2011:3-4; Weitz, 2003:8; Moses, 2008:8; Lattimer, 2007: xi). As the world becomes more sophisticated with technology, globalization, and
development, so also do the human wickedness and cruelty increase. In less than a century (1900-1987), about 170 million people were killed in genocides and mass murder around the world (Rummel, 1994). Not only through physical violence, genocide is also perpetrated and executed through diseases, malnutrition, starvation, forced sterilization, dislocation, displacement and rape (Alvarez, 2010:7 & 12). The MHF groups of Nigeria are currently faced with such genocide that is related to those of other Muslims in Chechnya, Rohingya, Uighurs/Turkic Chinese minority Muslim, Bosnia (Bosnians and Armenians), and Cambodia and Vietnam (against the Monks religious group) where between 90 and 95% of them were killed between 1975 and 1979 (Hinton, 2005:23). The United Nations (UN) in 2017 confirmed that genocide is being executed against the Rohingyan Muslims in Myanmar.

Previous studies have mainly focused on ethno-religious conflicts on the northern Nigeria; the alleged decades long genocide proclivity in northern Nigeria against the Igbos, Christians and other non-Muslims; use of exclusionary ideology and imposition of the Sharia Islamic laws “through enforced assimilation or extermination of Christians and other non-Muslims who do not assimilate or adopt the Muslim ideology” Okoye (2013: xv). From available literature, no extensive study has been conducted to explore the systematic genocide against MHF of Nigeria. Therefore, this study uncovers the systematic, covert and overt genocide being executed against the MHF amidst deliberate bad publicity, orchestration of conflicts and violence, hiding the Christian and other non-Muslims atrocities, and a of game of blame the victims (Muslims) by the Christians and other non-Muslims, specifically from the north and other parts of Nigeria. While the Igbos have been falsely using the alleged genocide against them as a means of garnering local, international and ethno-religious sympathy and appeal (David, 2018:27).

The study is very significant and timely as the world is fast dipping into more and more, but systematic cases of genocide, and as the former United Nations Secretary - General late Kofi Annan maintained, “there can be no more important issue, and no more binding obligation, than the prevention of genocide” (Kofi Annan, 2004). Furthermore, Nigeria’s unity and stability are further threatened by the genocide.

2. Statement of the Problem and Justifications for the Study
Genocide has been a major threat to not only individual states and societies, but also to the contemporary international order and has been on the increase with escalations in the destruction of indigenous peoples’ ways of life and deprivation of peoples’ human rights (Gallagher, 2013:18-9; Totten & Parsons, 2009:1; Weitz, 2003:8; Gellately & Kiernan, 2003:3). While ethno-religious hostility is the worst form of violence in human history that completely eliminates opponents/enemies (Midlarsky 2005:75), there is a systematic genocide against the MHF groups of Nigeria. The groups are completely gripped in fear, uncertainty and pessimism, especially from the North where hate, gruesome killings, guerilla war, and elimination have been declared and normalized against them; thousands of children and women are being un-naturally turned orphans and widows; properties/investments worth billions of Naira being destroyed; they no longer travel around Nigeria freely as they are murdered/hacked to death with impunity; they live in a state of hate, negative stereo-typing, and blame the victim game (Hassan, 2015:40). Properties are being lost, and apart from the use of local weapons, there are increased use of sophisticated weapons – artillery guns, bazookas, and the deployment and use of ex-soldiers as fighters by the ethno-religious groups against the MHF (Arowosegbe, 2016:7-8); between 1999 and 2015, over 5,500 Hausa-Fulans were killed by the Odua Peoples’ Congress (OPC) and local vigilantes members in Oyo and Saki; within the same time, and about 12,000 Fulani pastoralists were killed by the OPC members in “Ajegunle, Eruwa, Gaa Kondo, Igbo–Ora, Ijebu Ode, Imeko, Ikenne, Iseyin, Mushin, Owode Egba, Oyo town, Saki, Sagamu, Sango–Ota, Waasinmi and Yewa” in South-Western Nigeria (Arowosegbe, 2016:15).

There is a conspiracy of psychological genocide among the non-Muslims and the Nigerian Christian dominated Media, especially the Southern based; some elements in the conventional security agencies are being used to destroy/distort evidences and exhibits, frustrate cases/thwart investigations/complaints by the victims; nothing is being done to the perpetrators of the genocide as most of the times, governments deliberately or otherwise aid and abet genocide (Totten & Parsons, 2009:3).

This target groups which constitutes over 29% and 50% of Nigeria’s ethno-religious groups composition are being un-naturally and violently killed, scapegoated, despised, resented, stereo-typed, laced and mocked at in an increasing and escalating rate (Mohammed, 2018:118, 119, 132).
3. Literature Review

The term genocide is derived from two Greek and Latin languages words - ‘Genos’ meaning ‘race’ or ‘tribe’, and ‘cide’ meaning ‘killing’ respectively and both were coined by Raphael Lemkin (Card & Marsoobian, 2007:13, 15-16; Mayersen, 2016:3, 5-6). Genocide is difficult and controversial to define because of relativities, variables and dynamism involved in it; it changes as policies/means of destruction change in order to fit dynamic/evolving environments and conditions (Alvarez, 2010:7-9; Gallagher, 2013; Alvarez, 2010; Totten & Parsons, 2009:3-4; Jones, 2011:13; Shaw, 2015:4). Ervin Staub (as cited in Newman and Erber, 2002:13) has observed and asked why a government or group turns against another and maintained that it has to do with difficult life conditions, harsh economic situations, political conflicts, violence and war, decline in power/prestige and social disorganization.

For that, McGarry & O’leary (1993:6-7) see genocide as systematic mass killing and or calculated destruction of a group, and the conditions essential for its survival. This destruction can be through social, economic, biological. Genocide is seen as the worst form of crime against humanity being “the ultimate, supreme crime, and the crime of all crimes” (Alvarez, 2010:1). For Gallagher (2013:1), genocide is simply “the destruction of a group”, adding that prevention of genocide is apart from the ‘humanity perspective’, necessary when national interests are threatened. The UN Convention (Article II) defines genocide as:

Any of the following acts committed with the intent to destroy, in whole or in part, a national, ethnical, racial or religious group, as such: (a) killing members of the group; (b) causing serious bodily or mental harm to members of the group; (c) deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part; (d) imposing measures intended to prevent births within the group; (e) forcibly transferring children of the group to another group.

Similarly, Article III provides punishable acts as: “genocide; conspiracy to commit genocide; direct and public incitement to commit genocide; attempt to commit genocide; complicity in genocide”.

Jones (2011:569-571) identifies warning signs/indicators of impending genocide as: past history of genocide and inter-communal conflicts; mobilization along lines of communal cleavages; hate propaganda; unjust discriminatory legislation and related measures; severe systematic state repression. Similarly, perpetrators of genocide come from all parts and ranks of a society – professionals, armed forces, political and business classes, and ordinary citizens (Alvarez, 2010:103). Genocide is therefore, a collaborative enterprise and there are several causes/reasons why individuals participate/engage in genocide as “individual/personal and group’s history and life experiences, temperament and character, belief system, career and job, and family and community members” (Alvarez, 2010:105). In the same vein, Campbell (2001:11) laments that genocide is a trans-sovereign problem that threatens the entire world and has overpowered the capability of states and organisations to contain it and punish the perpetrators. Genocide has two phases: the destruction of the national pattern of the target group; and the imposition of the national pattern of the genocidaire (Lemkin, 2005:79).

Genocide has common ideological elements as: the notions of past victimization – belief of and historical suffering; dehumanization – viewing and treating self as more human and superior, and others as different, inferior or less human; scapegoating – the transfer of blame, woes and misdeeds unto others, rather than self in order to justify casting out killing the other(s); absolutist worldview – strong belief in un-compromise and non-accommodation of others as characterized by fundamentalist of ethnic nationalism and religious faith; and Utopianism – the ideology/attempt to purify, create, recreate a perfect/ideal society or community based on politics, ethnicity, religion, sectionalism (Alvarez, 2010:62-73; Midlarsky, 2005:74; Dutton, 2007:153).

Foundational to that, Mann (2005) has identified 9 types/categories of genocide perpetrators as: the ideological perpetrators – the social elites who believe in, sell, promote and justify the goals; bigoted perpetrators – the unimaginative and ordinary elements who join in the circumstances and become motivated to kill/harm others; violent perpetrators – individuals who like and enjoy violence and are excited to execute their violent craves; careerist perpetrators – those who participate in genocide to explore the chances and advance their careers/opportunities for jobs, power; disciplined perpetrators – the military, police, among others who work with and are confined to state institutions with loyalty/order/command-obey structures irrespective of the meaning or implications of such orders /commands; comradely perpetrators – those related to disciplined perpetrators, who participate in genocide on comradeship and spirit de corps basis with their sister institutions in solidarity;
bureaucratic perpetrators (desk-murderers) – who through the state machinery and institutions ignore the sufferings, killings, close eyes on acts of the other perpetrators and authoritatively disregard the implications of such actions; materialists (profiteer) perpetrators – those who are stimulated to partake by material interests - greed, booty, political/economic/religious/traditional powers; fearful perpetrators – those who are forced by situations/circumstances to participate not because they believe in or like doing so, but for fear of consequences for refusal to participate in the genocide.

In the same vein, Okoya (2013:52-101), identifies causes of genocide as:

- demographic factors, resource scarcity, and greed; threat and vulnerability: fear; in-group and out-group identity; narcissism; groupthink, hate processes and dehumanization of ‘other’;
- manipulation and loyalty to authority; the human agency and collective evil; the nation-state;
- imperialism, colonialism, and modernity; ideological influences; power politics and genocide denial; humiliation; and race, racism, and crime.

Similarly, Sternberg (2003) maintains that hate is the main cause for many genocidal killings around the world and can also be carried out through diseases, malnutrition, starvation, forced sterilization, dislocation, displacement and rape (Alvarez, 2010:7 & 12). Hence, it involves both direct and indirect violence. Milgram (1960: xi) observes that even individuals who do not believe/like violence against humanity can be easily involved in killing others when authorities or influential others direct/order them to do so. However, for Smith (2007:109), it is self-deception that stimulates and misleads individuals to human slaughter, especially for achieving consciences, but despite partaking in such inhuman actions, individuals delude themselves by still believing they are ‘compassionate, moral and pious’. This vivid description can be related to Nigerians who despite killing and leashing terror on others, still go to worship centres claiming to be godly and following the virtues of their religions.

With respect to humankind and their inherent natural character, Glover (1999:33) observes that “deep in human psychology, there are urges to humiliate, torment, wound and kill people”, and this affirms Sigmund Freud (cited in Smith, 2007:61) who also maintains that “men are not gentle, friendly creatures wishing for love, who simply defend themselves if they are attacked, but that a powerful measure of desire for aggression has to be reckoned as part of their instinctual endowment”. These reveal not only true character of humans, but also their fervent desire to unleash wickedness/cruelty on others.

The Duplex theory of hate identifies three triangular components of hate as: the negations of intimacy, commitment, and passion (Sternberg, 2003). Where and whenever these three occur, what results is not only violence, but also genocide against any target groups. Violence itself is caused by shame, ridicule, humiliation and disrespect (Gilligan, 1996:110). For that, where genocide occurs or is likely to, its tendencies are increased if the target group is seen as or appears to be related, sympathetic or supportive to the opposition/opponent/enemy (Alvarez, 2010:37).

For Nigeria and Nigerians, they are afflicted by what Putnam (2007:144-149) describes as the ‘Constrict theory’ which emphasizes that not only do heterogeneous settings increase mistrust among members, but also within the groups and their members due to contact and or vulnerability to the larger and diverse settings. This is tied to human interest in power and materialism and the fact that “in any struggle for power and its spoils, there is a usually thin line between one’s moral position and one’s concrete material interests” (Othman, 1984).

4. Methodology
This study used qualitative method in collection and the analysis of data. The study also used historical documentation and design method to collect the data from secondary sources. The historical design and documentation method enables a researcher to study and or search for facts from historically integrated and substantiated records. The study the background and heterogeneity of the Nigerian state, ethno-religious rivalries and conflicts which altogether boiled down to the genocide with theoretical framework built on Gain Strain theory. The study also adopted the United Nations standard provisions and Articles on genocide, which defines and specifies the various acts that constitute genocide. The study also analysed memoirs, press releases, and rejoinders among others by the prominent Nigerian religious bodies - Christian Association of Nigeria (CAN), Jama’atul Nasril Islam (JNI), Nigeria Supreme Council of Islamic Affairs (NSCIA), and National Christian Elders Forum (NCEF) among others.
Other extensive and intensive literatures on genocide were also used for both quality and robustness of the data and analysis of the study. Available literatures and studies are on ethno-religious conflicts and alleged genocidal tendency against the Igbo of South-East Nigeria with non on the genocide against the MHF (Achebe, 2012:228; Young & Isbell, 2000:33; Okoye, 2013; Okoye, 2014).

5. Background and History of the Hausa-Fulani, Muslims (HFM) and Islam in Nigeria
Nigeria is the result of the British colonial amalgamation of the two major areas of Niger River – North and South. The two were distinct in terms of geography, culture, religion, socio-political and economic settings, but were joined to form united Nigeria on 1 January 1914. Consequent to this, hundreds of ethno-religious and geo-political set ups were welded together into one country. Nwabueze (1993:21) notes that the heterogeneity of Nigeria is such that there are over 300 groups with fundamental differences in attitude, outlook, character and ways of life, and much more different than the English from Germans or French from the Italians. These differences and complexities explain why Bourne (2015:ix) observes that “anyone who claims to understand Nigeria is either deluded, or a liar”.

For centuries before advent of colonialism, Muslims from Central Sudan (later Northern Nigeria) – with Kanuri, Hausa and Fulani tribes characterized by Islamic scholarship and culture had been well established in trans-Sahara trade (goods and slaves), arts and craftsmanship with presence and prominence in Timbuktu, Tripoli, Al-Quahira (Cairo) among others (Levan & Utaka, 2018:20).

Similarly, there were also, before the 1804 Danfodio Jihad and later colonialism (from 1861), established Hausa states since the thirteenth Century and had by then became popular and in much control of the areas around the Central Sudan (Northern Nigeria), including the other multi-ethnic minorities and polities (Falola & Heaton, 2008). Hausa then was the main language spoken in both official matters and lingua franca for the region. For centuries before, and during colonialism, those Hausa states remained strategic in both commercial, socio-cultural and scholarship linkages with the Maghreb, North Africa up to the Senegal Valley and the Far East of the Arabian Peninsula (Mohammed, 2018: 18-20; Farrington, 1963).

The Kanem-Borno rulers were the first to accept and convert to Islam between the tenth and eleventh Century. The Hausa Habe rulers also accepted Islam from around the fourteenth Century upward as interactions became increasingly manifest and influential between the Borno Empire, Hausa states and their rulers, and the Maghreb, North Africa, Middle East. The trade in the areas went simultaneously with the propagation of Islam, its values and influence, acculturisation and cross-culturisation with the North African and the Arabs. Thus Islamic scholars have gained and exercised much influence on the rulership in both the early Islamised Borno and the Hausa states that followed. Borno itself was an Islamic Caliphate, rather than Empire for its ruler (the Mai) had received a “Caliph” title from the Ottoman Empire around C1500 (Last in Levan & Utaka, 2018:20). In addition to highly developed Islamic political system and Islamic scholarship (with specialization in the Holy Qur’an and Islamic calligraphy), Borno was the commercial centre/route and link for trans-Sahara trade just as Katsina and Kano also later became centres (Mohammed, 2018:23; Last in Levan & Utaka, 2018:20-2; McCormick, 2010:438; Falola & Heaton, 2008:33). These states together with Borno then formed both centres and a network for trade in the Central Sudan that linked the area up to Middle East. These explain the significant impacts and influence of Islam on the people, geography, history, life, customs and traditions, statesmanship, political-culture, economy and sociology of the later Northern Nigeria, comprising of Borno and other highly politically developed independent Hausa states of Kano, Zaria, Katsina, Daura, Gobir, Zamfara (Levan & Utaka, 2018:21). However among all the states identified, Borno has been the one with the oldest history of political evolution and development alongside Islamic scholarship. Last in Levan and Utaka (2018:19) recalls and summarises that for over 2000 years, Northern Nigeria has been a centre on the outer fringes of the Middle-East with various routes and linkages with people through the Sahara desert to Egypt, Lake Chad, Phoenician Carthage and the Roman Empire. Additionally, by the 11 Century, Arabic has become the formal language used for business, scholarship and communication with Islam as the dominant and official religion in Kanem-Borno playing central role in politics, economy and scholarship.

On the other hand, different versions of stories on the origin and history of the Fulani and or their migration have been advanced. The most popular is that which posits that the Fulanis trace their origin from North Africa (Kalu, 2008:34); they are a product of Middle Easterners from the family of Abraham who through migration in search of pasture, moved and intermarried with the African Negroes, Egyptians, Hindus and Berbers, North Africa and the Sudan (Junaidu, 1957; Last, 1967; Johnston 1967). However, in the recent, historians and historical developments
have provided another version that the Fulanis are originally the people of Africa, and did not migrate from anywhere. The population of Fulanis in Nigeria is a subject of controversy for they are dispersed and hardly become largely concentrated in one large area, but in small settlements and migrating from one vegetative area to another in search of good pasture, however, there are also substantial and increasing number of those who are adapting sedentary life and farming/cattle rearing (Mohammed & Aisha, 2018:10-13). With that, Okello, Majekodunmi, Malala, Welburn and Smith (2014) provide that their population is over 12 million. Similarly, the largest number of the Fulanis are Muslims. There are, however Christians and traditional religionist among them (Mohammed & Aisha, 2018:10-13; Johnston, 1967; Last, 1967).

Shiekh Usman bn Fodio (1754-1817) was the most popular Jihadist and Islamic scholar/preacher in the history of the Central Sudan, West Africa and Africa South of Sahara. He was from a renowned Toronkawa clan and Muslim who were vastly learned in Islamic scholarship with over 30 eminent scholars among his kinsmen (Last in Levan & Utaka, 2018:21). Usman bn fodo, whose Jihad in Hausaland commenced in 1804 established the most significant and historic Islamic Caliphate in the Central Sudan serially ranked after the Khulafaur-Rasheedun, the Banu Umayyad Dynasty, Abbasid Caliphate, and the Ottoman Empire respectively (Mohammed & Aisha, 2018:12). The 1804 Jihad revived and further strengthened the significance and influence of Islam on the Central Sudan, which till date continues to impact on political economy, geography, ethno-religious, and socio-societal set up of not only the Northern part of and Nigeria, but around the Lake Chad, parts of the Sahel (Niger and Mali) and Central Africa (Cameroon and the Central African Republic, CAR). According to Okello et al. (2014:2) and Nwabara (1963:231-242), the Fulanis, who together with the Hausas, are at the central of controversy in Nigerian affairs and multi-dimensional controversy, have a long and prominent association with politics, Islamic scholarship and wealth/mercantilism. Thus after the commencement of the Jihad in 1804 and the Eastern and Western capitals at Sokoto and Gwandu, Mohammed and Aisha (2018:12) note that the influence of the Fulani Islamic scholarship strengthened Islam in many parts of present Nigeria, including the southern part, as well as neighbouring states on the West and Central Africa.

The Europeans first came to what later in 1914 became Northern Nigeria in the middle of the sixteenth Century for mercantile and Christian religious missions (Last in Levan & Utaka, 2018:19). Forceful conquest of the areas began with the occupation of Lagos in 1861. By 1899, the British colonialists had established their rule and dominance in the Northern part of Nigeria and on 1 January 1900, the British hoisted the Union Jack (British flag) at Lokoja, geographically located at the centre of Nigeria (Fafunwa, 1991:101). The Sokoto Caliphate which had reigned from 1804 with several Muslim Emirates under it was defeated at the Gigninya Battle outside the Sokoto fortified walls on 15 March 1903. The British thereafter established indirect rule, but preserved both the Islamic religion and the Sharia system (except for the criminal aspect dealing with Hudud/Quisas). The Colonialists actually understood the advanced Northern Islamic/Caliphal system in relation to their earlier experiences in Egypt and India. It was because of the high level of religious, political and socio-cultural settings and organization of the Emirates under the Sokoto Caliphate that the colonialists not only preserved the rule, but also trusted and worked more or less harmoniously with the Northern MHF during the Colonial/indirect rule period that lasted until independence. The North was also fortunate to be the geographically largest, most populous, and richest in terms of solid minerals compared to the southern (Eastern and Western) regions of the Nigeria. The latter, unlike the former, are smaller in terms of both geography, population and less endowed with material resources, apart from oil (Mohammed, 2018:95-97; Mohammed & Aisha, 2018:16).

Essentially, while Islamic religion reached Northern Nigeria over a millennia ago from the Middle East through the North Africa/Maghreb countries, Christianity was brought in by the colonialist/missionaries. Although history has shown the presence of the Portuguese in the areas of present Nigeria from around 1471, Christianity as a religion was brought in and spread by the Missionaries at about the same time with colonial conquest and occupation of the areas around river Niger (Shehu & Buba, 2016:213). Hence, Nigeria has a predominance of Islam and Christianity having reached the area as a result of trans-Sahara and trans-Atlantic contacts, trades, and evangelism. The two religions form the basis of substantial character of the Nigerian state and its main regions (North and South), which partly explains disharmonies in Nigeria. Noting the religious/regional disharmonies in Nigeria, Huntington (as cited in Roskin, 2007:531) describes Nigeria as a ‘cleft country’ that is divided between Islam and Christianity and portraying ‘inter-civilisational disunity’.

Related to that, about 80% of Nigerians belong to the two prominent religions (Mooney, Knox & Schacht, 2002:187 & 193). However, there exists a great and probably an un-ending controversy on the accurate percentage
of Muslims and Christians in Nigeria with varying and controversial figures provided as: Muslims 50.5%,
Christians 48.2% (Agbobia, 2013:19) and Muslims 50%, Christians 40% (Trinscizki, 2016:54). Alternatively and in
the absence of accurate figures, the percentage of Muslims and Christians can be assumed to be more or less nearly
equal (Okoro, 2017:468). For the Northern region, although there are non-Muslim, especially among the minority
tribes, about 75% of its total population are Muslims (Babalola, 2019:51).

5.1 Colonial Policy and Legacy
Being a colonial state, Akindola and Ehinomen (2017) and (Unegbu, 2003) have maintained that Nigeria is not only
the result of colonial making, but still carrying the burden of difficult historical legacies of colonialism. The Hausa-Fulani are generally considered to have been preferred by the British colonialists in terms of granting the north indirect rule, preservation of their religion (Islam) and traditional system, and being the colonialists’ lieutenants or rather, agents of the colonialists (Turaki, 1993, Kukah, 1993; Ajayi, 2009; Okoye, 2013; Ochonu, 2008; Yahaya, 2016). However, as maintained by Mohammed and Aisha (2018:8 & 93), Kalu (2008:34) and Mohammed (2018:134), the preference for the MHF by the British had to do with their precolonial established and developed socio-political, economic and ethno-cultural advancements in comparison to the others from both the others. Just like in India, the British colonialists had (during the colonial conquest) found a people with such an organized and developed socio-political, economic and religious system and settings. Thus the legacy of Hausa-Fulani prominence in both colonial and post-colonial era.

6. From Ethno-Religious/Regional Rivalry and Conflict to Systematic Genocide
From the 1914 amalgamation, the 1939 division of three protectorates of North, East and West, to the enactment of
the federal system of government in 1954 and the subsequent events, Nigeria has been engulfed in forms of rivalries (Shehu, Othman & Osman, 2017; Elazar, 1987:77; Kalu, 2008:65, 68, 78). These have however, later reached their peak and resulted in violence, relative injustice, and to some extent disaffection from the Nigerian state. It is at that critical stage that systematic genocides evolved against the MHF who are made the scapegoats of Nigeria’s failure to reach the Promised Land. Thus, Shehu et al. (2017) maintain that the rivalry is ‘old and creeping’ also identify some of the dimensions rivalries as ethno-religious, economic, regional, and political and elitist.

In addition, ethno-religious/regional conflicts have become a dominant feature of the Nigerian state, especially
from the 1980s to date. Alubo (2006:9) provided that between May, 1999 and 2004 there have been more than 89
recorded cases of ethno-religious related conflicts that were all violent and fatal. More so, the largest number of
such conflicts occurred in the Northern states of Kano, Benue, Katsina, Borno, Adamawa, Plateau, Nassarawa,
Kaduna, Taraba and Kogi states. For the same conflicts, Aliyu and Shehu (2015:75-76) identify some of the major
ones which have been recurring since their first occurrences as those of Southern Kaduna, Jos, Tafawa-Balewa,
Bauchi (Yelwa), Kaduna, Taraba (Nigeria Supreme Council of Islamic Affairs, NSCIA, 2018:1). There have also
been others related as those of Sagamu in Ogun State between the Yoruba and the Hausa-Fulani and reprisals
(1999); bloody clash between Muslim and Christian over Sharia implementation in Kaduna (2000) and reprisals in
Eastern Nigeria; numerous clashes between OPC militants and Hausa/Fulani in Ajegunle, Lagos State; reprisal
attacks to Jos September 2001 killings in Eastern Nigeria; the Yelwan Shendam conflict with over 650 deaths;
ethno-religious conflict between OPC and Muslim community over building the Ogun Shrine in a Muslim praying
ground in Ipakodo, Lagos State (2005) among others (Halliru, 2012-216). Such conflicts and killings have not only
continued since the early 1980s, and from 1999 respectively, but also escalated in the recent years due several
factors identified below in this study.

On the other hand, with about 170 million people killed in genocides and mass murder around the world between
the years 1900 and 1987 as Rummel (1994) laments, subsequent genocides have proved that the world is
increasingly challenged by threats of and continuity of genocides against groups. The lives and fate of the MHF are
put under the same threat. Those have large been due to their majority population in Nigeria, popularity in political
power, and dominant role in national politics and being Muslims. In the recent, the groups have come under
increasing oral and physical attacks, with ethno-religious motives of hatred, ethno-religious nationalism, which
have increasingly become genocidal as manifested in various hate speeches, violent actions and reactions which
have consistently been enveloped in incessant attacks on the lives and properties of the group in many parts of
Nigeria. Such attacks have become a systematic genocide agenda in which the mass killings, carnages and hate
have measured up to both national and international standards of genocide which have also been admitted by

7. The Systematic Genocide against the Hausa-Fulani and Muslims (HFM) Groups in Nigeria
Genocide does not only mean or limited to instant destruction of a group through mass killings, but also through non-violent means and actions aimed at destroying the basis (economic, educational, psychological, socio-cultural, ethno-religious, geo-physical among others) of life of the group; and then annihilating it (Lemkin, 2005:46).

According to Alvarez (2010:40), with exposure to the horrors of war, violence and then genocide, “people become desensitized to the realities of the violence; inhumanity becomes all too common and to all human. That which once seemed extreme and unimaginable becomes routine and almost normal”. This explains why violence and other genocidal acts occur and escalate in Nigeria. The genocide execution against the MHF is both multi-dimensioned and systematic and qualifies for the UN standard definition and classification of genocidal acts. These include deliberate exclusions, killings, mental/psychological harm/manipulation and subjectation to being (apologetic, inferior, guilt concise, shame, scapegoating). Between 1980 and 2019, there occurred hundreds of mass killings of the MHF in various parts of Nigeria with the highest number in Middle Belt/Central Nigeria; over 10 different fatal clashes between the Hausa-Fulani and Yorubas in Lagos from 1999 to date; the Tafawa Balewa crises (1991, 1995, 2001 and 2011) in which tens of thousands of all the MHF were forced out and taking refuge in other towns and cities while all their houses, the 45 daily and 3 Friday prayer mosques were destroyed, and from 2011 to date) not a single Muslims lives in Tafawa Balewa - a town originally established by the MHF over a century ago (Mohammed & Aisha, 2018:17); the MHF in many parts of the Plateau, especially Riyom, Jos North and Barikin-Ladi have known no peace from 2001 to date with thousands dead, their families/communities broken and displaced, businesses crippled; in Yelwan Shendam, as a result of the 2005 ethno-religious crisis in which over 650 were killed; the MHF in many parts of Taraba state have been under siege, incessant and multi-faceted attacks by non-Muslims, as they with their properties and farm lands worth billions of Naira are being killed and destroyed/confiscated by the so called indigenous non-Muslims ethno-religionists; in 2017, there was the Mambilla genocide against the Fulanis who were attacked without any prior form of contention or disagreement and over 800 of them were killed, hundreds of their animals hacked to death, their settlements completely razed while the perpetrators celebrated with impunity (Saidu, Rasheed, Zakuan and Yusoff, 2019); and the serial attacks which follow, but remain unreported or given little publicity due to media conspiracy which is part of the grand genocide.; the enactment of Anti-Grazing/Night Grazing Laws in Benue, Taraba and Ekiti States which tactically deprived the Fulani (largely Muslims) the rights to free movement and property, and dispossessed them of their legitimate properties and means of livelihood; the multitude killings and carnages in other parts of the country – Sabo and Ile-Ife, Osun state, 2017).

There are deliberate orchestration of violence and provocation against this group to instill provocation and reprisal in order to execute the systematic genocide, and then blame the victim (Hassan, 2015:40), while the atrocities committed against the group are hidden. There is also collaborative conspiracy with the Media to close eye on the genocide on one hand, but overflow any attempt/move by the group to counter such and or assert their rights. There is also a brazen indecision by some Nigerian authorities to contain the atrocities against the group as characterized by bureaucratic perpetration of the genocide. These have altogether in addition to the genocide against the particular group, resulted in refugees problem, socio-economic dislocation and disorder, increased threat to national security and stability.

7.1 Calumny, Manipulation of History and Historiography
The genocide has been preceded by and now goes simultaneously with campaigns of calumny, manipulation and change of historiography of Northern Nigeria, especially the Middle Belt as the MHF image, character, historical records and materials, are being rejected, damaged and tattered in museums and before other Nigerians and before the world through both ethno-religious nationalism and writings (Suleiman, 2015; Okoye, 2014; Kukah, 1991; Okoye, 2013; Turaki, 1993; Ochonu, 2008).

With the ethno-nationalist historiography, some sections of Nigeria and Nigerians, especially the Middle Belt, and some ethno-religious nationalist are determined to change the course of history in order to re-define MHF in order to further give the bad name and image before the non-Muslims and the World (Suleiman, 2015: 112-115, 127, 183-184, 217; Mohammed & Aisha, 2018: 90-96). This has reached an extent where visitors (non-Muslims) to the Museum in Jos reject (as written in the Guest book) ‘Islamic symbolism’ and resist archiving materials associated with MHF. A reactionary historiography has been schemed and being written by both amateur historians and ethno-
religionists in order to not only change the course of history, but create new stories and narratives of the past slave raid and trade, the Jihad and re-define the past relations of the MHF, and the non-Muslims (Mohammed & Aisha, 2018; Suleiman, 2012; Suleiman, 2015; Blench, 2011). The desperation to re-write this history has been lamented by Suleiman (2015:24, 216) and Mohammed & Aisha (2018:94-95) pointing out that even journalists, engineers and civil servants have become involved the reactionary historiography, and ethno-religious/nationalist re-writing of such history.

7.2 Pilot Indigene/Settler Conflicts
Nearly all endeavours of Nigerians with the ‘others’ (religions, regions, groups) are associated with and subjected to indigene/settler which has resulted in increased hatred, domination, instabilities and superiority/inferiority complex among Nigerians (Aliyu & Shehu, 2015:74:75). Indigeneship has become a generator and trigger of violence in most parts of Nigeria as Fourchard (2015:54) maintains, and it has particularly been one of the pilots of the genocide against the HFM groups. Although not peculiar to the MHF alone, indigeneship has through the history to this genocide level, hit them more than any other group in Nigeria having been living for centuries in other lands in search of pasture, and engaged in trade and religious propagation.

Tied to the indigeneship is the deliberate social exclusion and denial to the MHF of even the basic rights entitled to all citizens of the Federal Republic of Nigeria in most instances such as establishment of worship centres, especially in the South Eastern part of Nigeria with predominantly Christian population, exclusion from public employment opportunities even in their indigenous states such as Plateau, Taraba and Benue; and exclusion from basic and social services; denial of indigeneship certificates, rights and non-recognition as bonafide citizens.

7.3 Scapegoating against the Hausa-Fulani and Muslims (HFM) on the Dilemma and Problems of Nigeria
Scapegoating, which Alvarez (2010:68) describes as the “practice of blaming individuals and groups for the misfortunes befalling a society or community”, has been a major element that is being used in executing the genocide against the MHF. This is in line with Jones (2011:569) submission that “When the material base of peoples’ lives is thrown into question, they are prone to seek scapegoats among minorities (or majorities); to heed to an extremist political message; and to be lured by opportunities to loot, pillage, and supervise”.

Similarly, when a society, group or community finds itself consumed into its own woes, it is maintained by Douglas (1995:41), that due to ignorance of true causes of their suffering, such people look for explanations to why such and in the process, if true reasons are hidden or not found, explanations that would sound and look appealing to the people have to be given, which result in violence against scapegoats. Hence, the HFM who are more prominent and dominant among the ethno-religious groups are put to blame, being cast out and killed in order to arrive at an appealing and emotional cause of failures by the Nigerian state, and the other groups even where there are no correlations with that. The scapegoating has two main dimension - national and regional. The national dimension is between MHF, and the other Nigerian groups; while the regional has to do with the Northern Nigerian minority groups. In either, the MHF are the orchestrated scapegoats for failures. Naturally, governments, groups, leaders and individuals avoid taking responsibility of failures, but rather, put the blame on others (Alvarez, 2010:69; Douglas, 1995:41; Joseph & Randall, 2009). Many, particularly the Southerners, including their elites, hold the belief that the North (MHF) is the power ‘dominating region’ (Lenshie & Akipu, 2014; Kukah & Falola, 1996:49-50; Ajayi, 2009; Okoye, 20013; Ajayi, 2009; Kukah & Falola, 1996; Osaghae, 1998; Mohammed, 2018; Paden, 1986; Clark, 1991). Therefore, what Alvarez (2010:68-70) identifies as the sins and misdeeds by Nigeria and Nigerians through the years 1914 to date, are shouldered on the MHF groups in order to cast out, kill and eliminate them. The group now viewed and treated as different and inferior with despise, stereotype and prejudice. This has also resulted against the group in what Erik Erikson (as cited in Stevens 2004:43) and Alvarez (2010:66) describe as pseudospeciation, i.e., the mentality of considering oneself or group as the superior or rightly/really humans, and that other humans, especially those you do not like are inferior, or less human.

7.4 Brazen Lies, Fallacies and Conspiracies against Islam and the Hausa-Fulani and Muslims (HFM) Groups
Out of ignorance, misconception and in the attempts to deliberately discredit the target group and Islam, numerous submissions full of conspiracies, fallacies and concocted lies are forwarded. For instance, Eme (2012:191-203), Ikegbu (2010:119-126) portray the clamour and implementation of Sharia for the Muslims as an agenda for imposition of Islamic legal system and to Islamise Nigeria (Othman, Osman and Mohammed 2019:91), and link
Boko Haram to the Muslims/Northern Nigeria generally. Others mischievously trace the Dan Fodio Jihad attempts and maintain that the MHF see nothing good in anything/everyone except themselves as Lenshie & Akipu (2014) portray the MHF as those who think “nothing was good for the north which is not Muslim dominated”.

Kukah and Falola (1996:2) present one of the misleading narratives stating that whereas both Islam and Christianity aim at winning more converts, unlike Christianity and Christians in Nigeria, Islam and Nigerian Muslims (the powerful Islamic elites) are a political force, ambitious and desirous to make Nigeria an Islamic state. Similarly, Falola (1999: 169-170) also alleges that Muslims tried to make Abuja an ‘Islamic city’ with construction of mosques in strategic locations, and mounted some designs and structures according to Islamic architectural values, in addition to hanging on to power in order to further promote Islam in Nigeria. In the same vein Kukah and Falola (1996:195) tactically allege that violence is instituted in Islam and its propagation, and Muslims have adopted it unlike the Christians and Christianity which teaches love and persuasion.

Further to that, Okoye (2013:142) alleges that Muslims do ‘exclusionary ideological stance’ and further asks the position of Christianity on such; and then answers herself that they do not, as the Muslims exclude Christians because of Sharia. One then wonders whether the Christians should be included in the implementation of Sharia or be allowed to practice their own (Christian) faith just as the Muslims want Sharia for themselves only. To her, it is the Muslim extremists who exclude Christians because of Sharia, but one then questions if “excluding the Christians from Sharia issues and implementation is justice or injustice to them?” This is because they neither belong to Islam nor like the Sharia.

7.5 The Use and Manipulation of the Social Media
The social media has throughout the world become a means used to spread propaganda, rumours, gossips, graffiti, and hate political and religious speeches among others (Jones, 2011:570). For Nigeria, numerous texts, video and audio clips, photographs from prominent religious clerics and ethno-regional leaders and elites are viral, calling on and inciting their congregations and kinsmen to violence against the Fulanis, the HFM just as hate speeches have become normalized among Nigerians (Mohammed & Aisha 2018:102; Osaghae 2017:50; Ezeibe & Ikeanyibe 2017; Mohammed & Aisha, 2018:104; Daily Trust, 8 January 2018, pp. 1 & 8; Gambari, Agwai, Ibrahim, Jega, Kwaja, Fesse, Oyebode & Yau in Daily Trust 9 January 2018, pp. 10-11).

7.6 Given the Groups Bad Name, Publicity, and Blame the Victim Agenda
MHF, who are the actual victims of the genocide are tagged as “the perpetrators’ who ‘are intent to cleanse the north of Christians, the Igbos and other non-Muslims through the exclusionary ideology of imposition of Sharia law to force assimilation or extermination” as refutably asserted by Okoye (2014: xvi-xvii). As such, they have become not only a subject of ridicule, but also pushed into the game of ‘blame the victims’ by the Christians and others who hide under the banner in executing the genocide, and thereupon blame the victims, especially in the North (Hassan, 2015:40). The blame is tactically put on the victims using the numerous, but biased media outfits and influence, some state apparatus, propaganda, re-orchestration of such violence and conflicts, and killing and maiming them (Mohammed & Aisha, 2018). On a particular note, it has been observed contrary to Okoye’s alleged submissions that the Igbos in particular, have been falsely using the alleged genocide against them as a propaganda aimed at garnering local, international and ethno-religious sympathy and appeal for political, material and other motives (David, 2018:27).

8. The Perpetrators in Action
There are several perpetrators of this systematic genocide – some disgruntled members of the public service (retired and serving), the private individuals as well as from the general public. While some of these perpetrators work for the public and are paid from the public treasury, they are involved in as bureaucratic and working together with the all other perpetrators as identified by Mann (2005). The case of Mambilla genocide against the over 800 Fulanis has proved to the world that some Nigerian state authorities are involved in as bureaucratic (desk-murderers), the ideological, bigoted, violent (the killers/destroyers), careerist, disciplined, comradely, materialists (profiteer), and fearful perpetrators. The identified perpetrators include politicians, security agencies who leak official intelligence, those who physically kill/destroy, beneficiaries in material and career forms, and those who involuntarily participate for fear of being attacked if they refuse to participate in the genocide. Additionally, other common citizens can be and are also involved in genocide as Milgram (1960:6) observes that “ordinary people, simply doing their jobs, without any particular hostility on their part, can become agents in a terrible destructive process”.

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of the Nigerian state authorities are not living up to their leadership responsibilities which entails responses to changes (Chow, Salleh & Ismail, 2017).

A clear case involving collaboration of these perpetrators is that of Taraba state government in a letter dated 8 September 2017, the then Taraba State Attorney General and Commissioner of Justice, Mr. Yusufu N. Akirikwen directed the state Police Commissioner to within 24 hours unconditionally release all the suspects earlier arrested (in connection with the Mambilla genocide) by the Nigerian Army and handed over to the State Police Command. All the suspects were instantly released. This was despite the fact that the survivors of the Mambilla genocide identified and named most of the suspects as those who killed and destroyed their properties and the Nigerian Army had instantly and formally alerted the Nigerian Federal Government of the act as genocide that was worse than the Boko Haram atrocities.

In a related incidence, a member of the Nigerian Parliament had before the National Assembly informed the world that some influential people, including politicians were involved in the perpetration of such acts against the Plateau people, including purchase and importation of arms into Nigeria from Israel, establishment of training camps which are used to train ethno-religious militias in certain locations and states across Nigeria, and financing the entire actions. The parliamentarian offered to make himself available to Nigerian authorities and to prove (with documents), but nothing was done by the authorities; in Benue state, the state government was found to have been involved in establishing illegal training camps, training and sponsoring ethno-religious militias who kill and torment people under banner of Fulani-herdsmen–farmers conflict. In all these and others, nothing was done by the Federal government; not a single influential perpetrator was arrested, prosecuted and punished accordingly. Rather than take necessary actions, what happened in some states is ignoring such facts and then continuous persecution, attacks, exclusion and displacement of the MHF, especially in Taraba and Benue states, where the fate of the Muslims is left into the hands of the Christian dominated/biased and overtly anti- MHF states governments, and the CAN which is the major covert influencer of most public policies making in those states. Despite the secular provisions in the Nigerian Constitution, CAN is covertly influencing nearly all decisions, appointments, resource allocations among others in these state. This, it does deliberately and particularly to cast out the MHF. It was through that medium that CAN influenced and fuelled the unconstitutional and use of both naked and manipulated constitutional powers by the Benue, Taraba and Ekiti States governments to enact the unpopular Anti-Grazing and Anti-Night Grazing Laws (Mohammed & Aisha, 2018:6, 70, 82, 83, 85 & 106). This was done to schematically and completely exclude Fulanis from these states since they could not live where their cattle cannot graze around. The other non-Hausa-Fulani, but indigenous Muslims of those states also have their gory stories and experience to tell.

The Nigerian state authorities are fully aware and have acknowledged the problem, while there are intelligence reports and confessional statements from arrested individuals and submissions by citizens, including parliamentarians; the perpetrators continue to execute the genocide with impunity, resistance and shield from arrests; the other ethno-religious groups and bodies equally engage in issuance of press statements, rejoinders, memos which altogether incite their members, promote hate speeches and texts, thereby facilitating the genocide (Daily Trust, July 23, 25 & 26, 2017 pp.3 & 17, 11, 4, 42; CAN Press Statement, January 16, 2018; SCIA Press Releases, January 30, 2018, p.1-8 & April 3, 2019, p.4; NCEF, 2018 pp.1-6).

9. The Génocidaires and their Targets
Relying on the UN definition/description of genocide and Alvarez’s identification of the perpetrators of genocide, Jones (2011:570) relates that génocidaires are identified by their words and deeds, and they are then challenged consequently. The MHF are the main target of the genocide and it is the direct consequence of killing, exclusions, intimidations, blame, giving bad name and publicity and discriminating against them wherever opportunity avails irrespective of their constitutional/natural rights as humans and citizens of Nigeria. The génocidaires comprise of some elements of Christians (Northern Christian minorities) and their Southern counterparts, the other southern based ethnic groups and their apologists, politicians, public servant (retired and serving). The perpetrators have succeeded in inculcating wrong notions of hatred, despise, resentment, disaffection and prejudices. These are in addition to successfully scheming frame up of the MHF as the scapegoats of Nigeria’s failure. Similarly, because of the close affinity between ethnicity and religion as Yinger (1994) emphasizes, the perpetrators have also succeeded in pitching many of the other ethno-religious groups together against the targets.
10. The Way Forward
Having established the occurrence of systematic genocide against the Hausa-Fulani and Muslims of Nigeria, it is imperative for the Nigerian state authorities to rise up to the challenge, apprehend all the culprits and prosecute them accordingly and take other legal measures to stop the act. The possession (legal and illegal), proliferation and use of arms among the Nigerian citizens should be strictly regulated and effectively monitored; the operation of different groups (ethnic, religious, militia among others) and harassment of innocent Nigerian citizens by should all be stopped; religious and social organisations should be enlightened to and preach peace, harmony, brotherhood. The Federal Government of Nigeria (through appropriate avenues) should rise up to the challenge of enactment of discriminatory, controversial and selective legislations which threaten the peaceful co-existence of Nigerians. The rule of law should also be fully enforced on all Nigerians irrespective of whatever status, origin, religion or tribe.

11. Summary and Conclusion
No genocides occur overnight, but preceded by some clear indicators and only occur where the world, a state or people close/turn their eyes or neglect such indicators and existing realities. With those, there is a systematic and multi-dimensioned genocide being executed on both covert and overt ground against the MHF in Nigeria. Evidences and measurement standards are available, robust and viral to prove this genocide against the target group. The strategies being used are such that they are simultaneously executed having been preceded by rivalry and conflicts. The role being played by some Nigerian state authorities is typical to bureaucratic perpetration of the genocide and exactly what and how it had earlier occurred in other countries. Some elements/bureaucratic perpetrators of the genocide within the Nigerian security agencies and other public services to cover up the atrocities and thwart all efforts, destroy evidences towards proper investigations, prosecution and punishing the culprits. With those, the targets are continuously being killed, economically crippled and impoverished, physically displaced and psychologically traumatised.

All the perpetrators (their identities, whereabouts, and activities) in the genocide are known to the Nigerian state authorities. There is a complicity between some Nigerian state officials (especially within the armed forces), CAN and the other perpetrators to continue the systematic genocide in addition to instill Islamophobia, manufacture lies, and destruction of the genocide evidences. The perpetrators are fully funded, harboured and public intelligence reports are leaked to them. Their activities are covered up by their fellow culprits and strengthened by state authority’s negligence, inaction to prosecute those responsible. All past genocide records show that they started at lowest levels, but neglected by the states and society after which they grew out of control and plunged states and societies into savage, inhumanity and anarchy.

This study is limited to the general act of genocide against the HFM groups of Nigeria. Further studies can investigate and reveal each of the issues raised in this study and conduct an in-depth investigation of the extent of the genocide and the specificity of its systematic kind and nature.

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Entrepreneurship Education, School Culture and Organizational Commitment amongst High Schools in South Sumatra

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ABSTRACT

The role of entrepreneurship in the education sector is required in order to achieve innovative institutes through various productive programs. In order to pursue a more developed country, Entrepreneurship Education (EE) is needed to create innovative characteristics and entrepreneurial talents whereby economic growth and employment are stimulated. Unfortunately, the entrepreneurship curriculum was a few to be implemented in South Sumatra. Likewise, this issue caused a lower school culture and also the commitment among the teachers in high school in South Sumatra. This study aims to examine thoroughly the influence of entrepreneurship education towards school culture and organizational commitment in those high schools. This research process involved a quantitative approach, whereby the survey was administered among 314 public school teachers and 329 private school teachers with the use of stratified sampling. A cross-sectional research design was applied, whereby the instruments used are entrepreneurship education, organizational culture, and organizational commitment. Descriptive analysis, correlation, T-test, and multiple regression were used to analyze the data based on the objectives of the study. The results have shown that entrepreneurship education has a significantly positive relationship on school culture and organizational commitment. The positive correlation value illustrates that the higher the entrepreneurship education, the greater the increase in positive culture that will motivate the commitment of teachers in public and private high schools. The findings of this study can also be used by the Ministry of Education to identify the characteristics required by the entrepreneurship qualities, the influence of organizational culture, and the commitment of the organization as a benchmark for planning a better national education in the future.

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1. Introduction
Education was a fundamental symbol that can influence the quality of civilization in any nation. A strong education can enable a person to enhance their skills and talents. However, the issues of local education relate to the lack of quality of the education itself (Holle, 2009). Previous research has found that teachers play a crucial role towards addressing these issues. An effective, good-quality teacher is one who has good capabilities based on his/her expertise, has a great personality, commitment, and a good work ethic (Holle, 2009).

In this case, schools need leaders who are creative and able to find innovative solutions to problems. Educators must then understand and learn the entrepreneurship skills required in order for the educators to be more creative. Hasan et al. (2017) asserted that entrepreneurship education plays an important role in stimulating an entrepreneurial spirit among students. It has been proved that the students who participate in workshops related to entrepreneurship tend to establish their own startup companies more often than those who do not (Packham et al., 2010). The teachers are required to support students by nurturing their skills related to entrepreneurship and also to improve their own entrepreneurial skills in order to apply them to education. It was found that a higher level of commitment is significantly related to high organizational performance (Farukh et al., 2017). The teachers who reveal their creative ideas tend to be more committed to their schools. This means that the teachers who are emotionally attached to their schools will undoubtedly express their innovative ideas (Chughtai, 2013; Thomson & Heron, 2006). Schools seem to need the teachers within that have a vision to achieve the organization’s objectives by implementing the productive activities effectively and to encourage and motivate their peers as well. Moreover, some literature has found a correlation between organizational commitment and work behaviors (Ozag, 2006; Powell et al., 2006). When the teachers are committed to their schools, they are more likely to devote innovative ideas for the development of their schools. Although there is limited research discussing the relationship between entrepreneurship education and organizational commitment (Hakimian et al., 2016), the phenomena regarding this topic will be further discussed later. Therefore, this study examines the relationship between entrepreneurship education and organizational commitment to fill the gap.

Another factor that influences the commitment of high school teachers is organizational culture. According to Hopkin (2005), school culture and organizational commitment may lead to the setback of a school’s performance, whereas these factors actually play a significant role in determining the success of the school’s performance (Nurafifiah, 2016). Because internal stakeholders, including teachers, have highly affected the culture within schools, the culture in the schools will change eventually with their increased commitment. Entrepreneurship education is one of the factors that can transform the educational
system to become more contemporary. Therefore, entrepreneurship education must be examined further in order to contribute to academics as well as the institution itself.

2. Literature Review

2.1. Entrepreneurship Education

The success of socio-economic and its sustainability can be determined by the importance of entrepreneurial education (Klinger & Schündeln, 2011; Matly & Farashah, 2013). This is because the ability of entrepreneurship education to establish the motivational mindset and to enhance the important skills such as teamwork, critical thinking, and decision-making capabilities (Wilson et al., 2009). Likewise, it involves collaboration of drive, initiative, commitment, perseverance, and creative efforts to display the productive projects through entrepreneurship education (Acs et al., 2008). In addition, other skills such as solving problems abilities, communication skills, and creativity are needed to be a successful entrepreneur. Nevertheless, these skills are mostly acquired through experience, even failure. However, these skills can also be established through entrepreneurship education (Murphy & Dyrenfurth, 2012).

In developing countries, job vacancies are considered to be an important factor (Brown, 2003). This is because government should ensure the issue of employment opportunities would not be the major national crisis in developing countries for university graduates. Most of the times, educational institutions were failed to establish the market demand and job vacancies for graduates due to the traditional degrees (Brown, 2003). The paradox occur due to the stream of educational institutions that increasing the number of literate citizens in a country cannot balancing the rate of jobless citizens at the same time (Saks & Ashforth, 2002). Nonetheless, some universities have successfully graduated their graduates into both private and public companies of the economy with various levels of managerial skills. On the other hand, the companies are not obligate to receive the graduates that are not from or drop out from universities. In consequence, the exceptional university graduates are frustrated and become hopeless due to the lack of opportunities because they cannot apply their skills and competencies that they have got from universities in the work field (Okereke & Okorafor, 2011). As the result of existed output, the imbalance between social and economic occur in the country (Lipton, 1962). Hence, the solution that can be proposed as the only feasible alternatives are entrepreneurship and self-employment. Consistently, many universities in developing countries have included the entrepreneurship courses in their curriculum to deal with the situation (Matlay & Farashah, 2013). The entrepreneurship education programs were offered in most of universities currently with the hope that the university could produce the university graduates with the competencies that are required to be the entrepreneurs, in which they will choose to be the job inventors rather than the job seekers (Zamberi, 2013). Therefore, this study was prepared to investigate the role of
entrepreneurial education at the school level in entrepreneurship development.

To be the great entrepreneurs, ones are required the developed skills and competencies. It was proved that the educated entrepreneurs are more important in developing the regional economies rather than the entrepreneurs with a lower level of education academically (Taatila, 2010; Kwiek, 2012). The conventional education is related to the transformation of knowledge and skills. In a contrary, the entrepreneurship education is more associated with the transformation model of the motives and changing attitudes (Hansemark, 1998; Fayolle and Gailly, 2015). However, the literatures related to the effectiveness of teaching method in terms of entrepreneurship courses are very limited (Sexton and Bowman-Upton, 1988; Basant, 2008). There is lack of studies on the relationship between organizational commitment and entrepreneurship education with barely no studies pertaining the importance of entrepreneurship education and performance outcomes (Vesper, 1985; Honig, 2004). Therefore, the growing attention related to the universities and other educational institutions regarding the effective entrepreneurship education calls for further conceptual and theoretical development of studies.

2.2. Organizational Culture

Deal and Peterson (2004) stated that schools culture determines the patterns of value, beliefs, and tradition. Teachers in schools cooperate together with other stakeholders to exchange cultural aspects to modify the old cultures, to create the new cultures, or to revise some elements that need to be changed. School values within such culture are applied as guidelines for all the internal stakeholders so that they can bring benefit to the schools and create distinction among other organizations.

Deal (1990) mentioned that culture is one of the alternatives or concepts of learning through mind mapping and descriptions and is also supported by the behaviors that affect the human experience. In other words, culture can be defined as the attitudes or actions that have been demonstrated by groups of people in schools who were shaped by trust, togetherness, and shared experiences to influence each other.

In summary, the combination of the values and norms within the schools that belong to all staff members can be used as outcomes from the teachers in order to create a successful culture. Suriansyah (2014) highlighted that the practice of culture or habits that are implemented within the schools will be successful if they are established correctly.

2.3. Organizational Commitment

There are two perspectives related to commitment: 1) attitude approach and 2) behavior approach towards
the organizational commitment (McGee & Ford, 1987). These researchers stated that attitude approach views commitment as the original condition as well as the effect of the relationship between the school staff members and the school’s culture (Oliver, 1990). The staff must have the willingness to devote their energy and effort to the organization as well as a strong desire to consistently improve and perpetuate their expertise within the organization.

On the other hand, the behavioral approach sees commitment as a process in which a person shapes the rationalization of their actions (Oliver, 1990). The theory related to this approach is the side batches theory by Howard Becker (1960). He perceived commitment as a result rather than a collection of rewards such as time, effort, and money, whereby those would be lost and assumed as liabilities if the staff left the organization.

It was illustrated that the teachers who have high commitment to their schools are able to adjust and to adapt as part of their schools compared to the teachers who are not committed to their school (Meyer & Allen, 1991). In this study, there are three components within the basis of organizational commitment, namely affective commitment, continuous commitment, and normative commitment, which are mentioned within the theory by Allen and Meyer (1990; 1996).

Numerous studies have discussed the relationship between organizational culture and commitment among employees (Demir & Öztürk, 2011; Gülova & Demirsoy, 2012; Lok & Crawford, 1999; Silverthorne, 2004; Yiing & Ahmad, 2009; Yıldırım, Acaray, & Candan, 2016). Ortega-Parra and Sastre-Castillo (2013) studied the potential differences in culture dimension as perceived by employees, analyzing their value and impact on organizational commitment. Employees play a critical role in affecting the organizational performance toward change. The higher the employees’ commitment, the higher the organizational performance (Pinho, Rodrigues, & Dibb, 2014). Likewise, Akyürek et al. (2013) stated that higher employee commitment results from a strong organizational culture. Organizational culture has been proved to have a strong effect on moderating the organizational commitment (Marchalina et al., 2019). Nonetheless, there are still limited studies that discuss culture within the schools and determine the role of organizational culture on teachers’ commitment in their schools. Therefore, this study was conducted to fill the gap.

H1: There is a significant relationship between entrepreneurship education and organizational commitment among high schools in South Sumatra.
H2: School culture moderates the relationship between entrepreneurship education and organizational commitment among high schools in South Sumatra.

4. METHODOLOGY

4.1. Population and Sampling Techniques

This study was implemented in the province of South Sumatra, which is part of the country of Indonesia and on one of the large islands of Indonesia. One of the major distinguishing factors of this study is the large number of respondents involved. The research was defined by taking samples from the population and using the questionnaires as the form of data collection for primary tools (Johnson & Christensen, 2010). Furthermore, this study involved data analysis to test hypotheses and to answer the research questions related to entrepreneurship education towards the organizational commitment and schools’ culture.

In implementing this research survey, the researcher found some limitations. Firstly, the respondents chosen were only the teachers of high schools in both public and private schools. Those schools are also accredited from the education authorities in South Sumatra. Moreover, the researcher realized that this research surely cannot described a whole population of high school teachers throughout Indonesia, due to the fact that it only gathers a sample by proportional random sampling from 314 public and 329 private high school teachers in South Sumatra. This is because the researcher believed that the perception of high school teachers toward entrepreneurship education strongly affects the commitment among the teachers toward their schools.

4.2. Data Collection Methods

This study used instruments to collect the data in order to obtain the results based on the research objectives. All variables were collected from the instruments that have been measured. The instruments used were entrepreneurship education (Lorz, 2011), organizational commitment (Allen & Meyer, 1990; Yakoob, 2007), and organizational culture (Maslowski, 2001; Yakoob, 2007; and Kasim, 2015). All research variables use questionnaires with a Likert scale from 1 to 5. Data will be taken manually or online (online questionnaire), and then random cross checks are carried out in the field towards data.

4.3. Data Analysis

In this study, the quantitative analysis will be measured in two stages. Firstly, the reliability test was measured by using mean, intercorrelations, and reliability coefficients. After that, the role of moderating variable was tested by the variation’s model. Cronbach’s Alpha analysis also was employed to test the reliability. For the hypotheses test, this study used Pearson Correlation analysis (relationship between two
variables), variance analysis, T-test, and multiple regression analysis, and to test the moderating effect, it used the moderated multiple regression.

5. RESULTS

Table 1: Reliability Coefficients of the Main Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Dimension</th>
<th>Cronbach Alpha (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurship Education</td>
<td>-</td>
<td>0.953</td>
</tr>
<tr>
<td>School’s culture</td>
<td>-</td>
<td>0.924</td>
</tr>
<tr>
<td>Organizational commitment</td>
<td>Affective commitment</td>
<td>0.938</td>
</tr>
<tr>
<td></td>
<td>Continuous commitment</td>
<td>0.947</td>
</tr>
<tr>
<td></td>
<td>Normative commitment</td>
<td>0.950</td>
</tr>
</tbody>
</table>

Table 1 above has shown that the reliability and consistency of the questionnaire’s instrument based on the results of the study conducted on 700 teachers in the high schools of South Sumatra have found the appropriate Cronbach Alpha value. Meanwhile, the indicator for decision making on the reliability test with a value of 0.8 and above is good. The Cronbach’s Alpha 0.6 - 0.7 value is acceptable (Sekaran, 2010). However, Sekaran (2010) states that the minimum Cronbach’s Alpha value for reliability is 0.5. Therefore, the overall reliability of all variables if followed by Sekaran (2010) is sufficient. All values of the Cronbach’s Alpha for each variable are above 0.5.

Table 2: The role of Schools’ Culture as a moderating variable between entrepreneurship education and organizational commitment

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>Adjusted R²</th>
<th>F</th>
<th>Parameter Coefficient</th>
<th>Sig. F</th>
<th>Sig. t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Commitment</td>
<td>Entrepreneurship education</td>
<td>0.55</td>
<td>13.571</td>
<td>0.43</td>
<td>.000</td>
<td>.270</td>
</tr>
<tr>
<td></td>
<td>School Culture</td>
<td></td>
<td></td>
<td>.219</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Entrepreneurship education x Organizational culture</td>
<td></td>
<td></td>
<td>0.86</td>
<td>.025</td>
<td></td>
</tr>
</tbody>
</table>

The output of the SPSS output shows the adjusted R2 values of .055 (Table 2). This means that 5.5% of the variation in organizational commitment can be explained by variations of independent variable of
entrepreneurship education and the moderating variable of school’s culture, while the balance (100% - 5.5% = 94.5%) is explained by other reasons beyond the model.

A simultaneous significant test or F test statistic (ANOVA test) yields a value of F of 13,571 with a significant level of .000. Because the probability is significantly smaller than .05, regression models can be used to predict organizational commitment or say that entrepreneurship education and school’s culture together have an impact on organizational commitment.

Based on the three variables included in the regression, it is clear that entrepreneurship education significantly influences organizational commitment. Entrepreneurship education provides a value of coefficient of the parameter .043 with a significance level of .270, and the variable of school’s culture provides a value of coefficient of parameters .219 with a significance level of .000. The moderator variable, which is the interaction between the entrepreneurship education and the school’s culture, is also significant, with a significance value of .025, so the school’s culture is a modifier variable. So the result of the analysis shows enough evidence to state that the school’s culture plays a role as a modifiable variable in influencing the relationship between entrepreneurship education and organizational commitment among teachers in the SMA South Sumatra Province. This finding supports the established hypothesis.

### Table 3: Model Summary of Entrepreneurship Education, School’s Culture, and Organizational Commitment

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.155*</td>
<td>.024</td>
<td>0.20</td>
<td>.26732</td>
</tr>
<tr>
<td>2</td>
<td>.279a</td>
<td>.078</td>
<td>.074</td>
<td>.25985</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Entrepreneurship Education (EE)
b. Predictors: (Constant), EE, EE*Organizational Culture
c. Dependent Variable: Organizational commitment

The first formula proved that the effect of entrepreneurship education and organizational commitment to change was .024 percent, as indicated by R². This means that entrepreneurship education explained about 2.4% (percent) of the variance of organizational commitment. Table 3 shows that the next formula explains the moderating effect of school’s culture on the relationship between the entrepreneurship education and organizational commitment. The R² was .078, which explains about 7.8% (percent) of the contingent effect of the school’s culture on the correlation between entrepreneurship education and organizational commitment. In summary, the school’s culture was proved to have a moderate effect on entrepreneurship education and organizational commitment by having a higher value.
6. Discussion
The findings have shown the effect of entrepreneurship education towards the school’s culture and organizational commitment. The data analysis result shows that 463 teachers, comprising 314 public high-school teachers and 329 private high-school teachers, were respondents in this study. Overall, the descriptive analysis findings show that entrepreneurship education, school culture, and organizational commitment in South Sumatra province were high.

The results of the multiple linear regression analysis have shown that the entrepreneurship education has a significantly positive influence on the organizational commitment among the high-school teachers in South Sumatra. The moderating test has proved that the school’s culture strengthens the entrepreneurship education towards the organizational commitment of high-school teachers in South Sumatra.

The results have shown that entrepreneurship education is significantly correlated with the school’s culture and organizational commitment among high-school teachers in South Sumatra. Overall, this research has achieved the objectives to contribute to the existing body of knowledge on education. In addition, this study has suggested that the appropriate school’s culture should be implemented in order to increase effective communication between the leaders, teachers, and other staff members in schools. The trust among them should also be strengthened in order to achieve the target together and solve the problems so that the school’s objectives can be achieved.

In light of this study’s findings, it is clear that entrepreneurship education plays a significant role in the organizational commitment of schools, especially high schools in South Sumatra.

7. Conclusion
This study was purposely conducted in order to examine the effect of entrepreneurship education towards a school’s culture and organizational commitment among high schools in South Sumatra. The findings have shown that entrepreneurship education plays an important role in influencing the school’s culture and organizational commitment. The teachers who displayed entrepreneurial skills are able to have a positive impact on their schools and surroundings; therefore, they can influence strong commitment and increase the school’s performance.

In summary, this study has empirically proven the relationship between entrepreneurship education, school culture, and organizational commitment. Likewise, the result has indicated that the correlation among all variables could be the guideline and the necessity in determining the success and effectivity in school’s performance.
7.1. Theoretical and Practical Implications
Theoretically, this study expanded the resource-based view theory on the relationship between entrepreneurship education, school culture, and organizational commitment. In addition, this study has contributed to entrepreneurship education and its influence on school culture and organizational commitment. Likewise, this study’s findings could expand another theory related to entrepreneurship education and organizational commitment as found by Hakimian et al. (2016).

Practically, the findings have contributed to the education system and the teachers in Indonesia. It can be seen that the teachers who implement their creativity in their problem-solving activity tend to be committed to their schools. Generally, this study affected the success of schools in achieving their vision and missions in the future.

7.3. Limitations and future research
This study focused on the cross-sectional study of the relationship among entrepreneurship education, school culture, and organizational commitment. Yet, the study could be expanded into a longitudinal study by comparing the elements under study before and after the implementation of organizational culture in schools’ environment. Moreover, this study was limited to the context of South Sumatra, whereas a greater impact could be achieved by expanding the study throughout Indonesia or even Asia.

References
Hansemarch, O.C. (1998). The effects of an entrepreneurship programme on need for achievement and


Zamberi Ahmad, S. (2013). The need for inclusion of entrepreneurship education in Malaysia lower and higher learning institutions. *Education+ Training, 55*(2), 191-203
Performance Appraisal Systems in Hiram Hospital and Its Relationship with Employees’ Performance: Empirical Study

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ARTICLE DETAILS

| History | Purpose: This study aims to investigate the relationship between different performance appraisal methods and employees’ performance in a private hospital in South Lebanon. Three main appraisal methods were selected for this study including traditional appraisal, self-appraisal and customer appraisal methods. In addition, the employees’ performance was measured at different levels including task, adaptive and contextual performance. |
| Keywords | Design: Based on a quantitative approach and using self-administered questionnaires, primary data was collected randomly from 125 employees of the target hospital. |
| Keywords | Findings: The results obtained showed that employees are generally performing in an adequate level and they are pleased with the current applied performance appraisal systems at this hospital and especially at the level of customer appraisal methods. |
| Keywords | Originality: This study showed how private hospital in Lebanon use performance appraisal systems in managing their human resources through measuring employees’ performance, motivating them and most commonly, making critical administrative decisions related to training and development or even rewarding and coercive actions. |
| Keywords | Future suggestions: Future studies are recommended to expand the research geographically and comprise variety of hospitals in terms of size or type. Also, studying different performance appraisal systems would enrich the literature especially at the empirical level. |

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1. Introduction

Healthcare organizations and especially hospitals are compound associations which are liable to work movements and high employees’ turnover. As per past investigations (Aiken et al., 2002; Jones, 2004; Mouro, 2012), the nature of hospitals can be contrarily impacted by the lack, turnover and poor performance of workers. Hence, it is fundamental to play out an effective performance appraisal to keep the certified workers and do essential preparing
for the unqualified individuals. Agreeing El-Jardali (2009), the primary explanations behind employees’ turnover in the Lebanese hospitals incorporate unacceptable pay rates and benefits, unsatisfactory shifts and working hours, better opportunities abroad, remaining task at hand, marriage and the geographical locations of hospitals. Subsequently, a well implemented performance appraisal system would uncover the hole between the authoritative guidelines and the requirements of workers and along these lines, improve their overall performance. Besides, numerous organizations normally use performance appraisal scores "to determine the distribution of pay, promotions, and other rewards; however, few organizations attempt to evaluate how employee perceptions of performance appraisal fairness impact employee attitudes and performance" (Swiercz et al., 2012).

Levinson (1976) stated that performance appraisal depends on three capacities. In the first place, it conveys pleasant feedback to every employee on his performance. Also, it acts as an establishment for changing behavior toward progressively better manners and third, it gives information to executives so they may pass judgment on future occupation activities and remuneration. The absence of talented employees confines the hospitals from creating and supporting upper hands and thus drives the hierarchical procedures to disappointment. Likewise, a few workers have acknowledged appraisal as only a straightforward routine exercise that has no centrality to their advancement, situation occupations and improvement for their preparation necessities accordingly having little impact on their advancement procedure.

Basically, the principle goal of this research is to determine to which degree is the performance appraisal systems applied in Hiram Hospital, South Lebanon. The second objective is to distinguish which is the best implemented performance appraisal method and third, to study the correlation between performance appraisal and employees’ performance in this hospital.

2. Literature Review

2.1 Employee Performance Definitions

Employee performance means “individual’s work achievement after exerting required effort on the job which is associated through getting a meaningful work, engaged profile, and compassionate colleagues/employers around” (Hellriegel et al., 1999; Karakas, 2010). Moreover, Pradhan et al. (2017) categorized employee performance into three levels including “task performance, adaptive performance and contextual performance”.

2.1.1 Task performance

It comprises of “job explicit behaviors which includes fundamental job responsibilities assigned as a part of job description. Task performance requires more cognitive ability and is primarily facilitated through task knowledge, task skill and task habits” (Conway, 1999).

2.1.2 Adaptive performance

It is referred to the “individual’s ability to adapt and provide necessary support to the job profile in a dynamic work situation is referred to as adaptive performance. Once employees originate a certain amount of excellence in their assigned responsibilities, they try to adjust their attitude and performance to the different requirements of their job. Moreover, adaptive performance is considered effective as it requires employees’ capability in unstable work conditions” (Baard et al., 2014; Hesketh & Neal, 1999).

2.1.3 Contextual performance

It is “a kind of pro-social behavior demonstrated by individuals in a work set-up. Such behaviors are expected of an employee but they are not mentioned in one’s job description and it is performed with the intention of encouraging the progress of individual, group, or organization towards which it is directed” (Brief & Motowidlo, 1986).

2.2 Performance Appraisal

As defined by Armstrong (2006), performance appraisal is the “the formal assessment and rating of individuals by their managers at specific intervals. In most organizations these evaluations are made either annually or semiannually”. Meenakshi (2012) stated that “performance appraisal is not just about rating employees. Organizations carry out performance appraisal as a basis for administrative decisions such as promotion, allocation of financial rewards, employee development and identification of training needs”.

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Conventionally, the workers’ direct supervisors are the most rationale decision maker for assessing their performance. In any case, organizations are as of late looking for choices, for example, subordinates, companions and colleagues, self-evaluation, customer appraisal, and 360-degree feedback. Various techniques are characterized as following based on Mondy and Martocchio (2015) findings:

2.2.1 Peer appraisal
“It is reliable if the workgroup is stable over a reasonably long period of time and performs tasks that require considerable interaction”.

2.2.2 Self-appraisal
“If individuals understand the objectives they are expected to achieve and the standards by which they are to be evaluated, so they are in the best position to appraise their own performance”.

2.2.3 Customer appraisal
“Behavior of customers determines the degree of success a firm achieves”.

Recently, organizations use the 360-degree feedback method. Rees and Porter (2003) express it as “a process that involves the key people in a person’s network of working relationships making assessments of a person’s performance. This may involve feedback from subordinates and any key outside parties, if it is practicable. It includes evaluation input from multiple levels within the firm as well as external sources”.

2.3 Previous Studies
In reference to Kumar and Anjum (2011), they stated that “department heads, various medical committees and ultimately the board of directors are responsible for ensuring standards of medical care in hospitals”. This is reliable with the perception of 360-degree feedback which states that “feedback on an employee's performance being provided by the manager, different people or departments an employee interacts with, external customers and the employee himself” (De Nisi & Griffen, 2008). The traditional method that depends on evaluation by prompt directors is frequently time-constrained as a result of their duties and high outstanding burden. In any case, the peer appraisal method is deliberated as the most natural and satisfactory way to deal with hospital’s employees (Kumar & Anjum, 2011).

The impact of performance appraisal on worker inspiration was contemplated by Chaponda (2014) through “leading an overview among 300 employees in non-government organizations (NGO) in Nairobi”. The researchers demonstrated that "different raters can increase the accuracy of performance evaluation, reduce bias, and increase employee’s perceptions". Likewise, results demonstrated that administrators are able to address holes in workers' abilities which can significantly affect the employees’ motivation. Furthermore, Poon (2004) studied the “effect of employees' perceptions of political motives in performance appraisal on their job satisfaction and intention to quit using survey data from an occupationally heterogeneous sample of 127 white collar employees from various organizations”. The results of regression analysis demonstrate that employees were unsatisfied when they noticed a biased performance appraisal from their supervisors. This drove workers to resign. According to Kumar and Sinha (2011), “the performance of a health care professional may be appraised by the appropriate departmental manager, by other professionals in a team or program or by peers, based on prior agreement on expectations”. They stated that appraisal methods may include “behavioral approaches such as rating scales, peer rating, ranking or nomination and outcome approaches such as management by objectives and goal setting”. Also, they recommended that “professionals should give and receive timely feedback on a flexible schedule. Feedback can be provided one-on-one, by a group assessing quality of care or through an anonymous survey”.

Respectively, the following research framework is developed as shown in figure 1.
To measure this research framework, the general hypothesis is developed as following:

**H1:** There is a significant and positive relationship between performance appraisal and employee performance. The sub-hypotheses include the relationship of three different performance appraisal methods with employee performance:
**Ha:** There is a significant and positive relationship between traditional appraisal and employee performance.
**Hb:** There is a significant and positive relationship between self-appraisal and employee performance.
**Hc:** There is a significant and positive relationship between customer appraisal and employee performance.

3. Research Methodology
This research has a positivism and deductive approach. It is based on quantitative methodology as it “provides valid answers, minimizes the risk of bias and it examines the relationship between variable by using numbers and statistics to explain and analyze its findings” (Burns et al, 1993). Both descriptive and correlational designs are applied to achieve the research objectives.

4. Empirical Part
4.1 Population and Sample Size
Hiram hospital is a private hospital in South Lebanon with a total 136 beds and 125 employees from diverse departments. In reference to Morgan’s sample size table (1970), the best sample size for this survey is 80-108. Therefore, a sample size of 100 employees is considered sufficient for conducting this survey.

4.2 Data Collection
Primary data was collected over a short time horizon “10th May to 10th June 2019”. Self-administered questionnaires were distributed randomly among employees. The questionnaire is structured into three key parts as shown in Appendix A. First part presents the respondents’ demographic characteristics while the second part measures the employees’ attitude on the current performance appraisal system in the hospital based on “5-Likert Scales: Strongly Disagree - Strongly Agree” (Fisher, 2004). Similarly, the third part measures the employees’ performance in the hospital.
4.3 Data Analysis and Research Findings
The data collected was analyzed using “SPSS software”. The total average means of research variables are as following “employee performance (3.81), performance appraisal (3.36), traditional performance appraisal (4), self-appraisal (3.39) and customer appraisal (3.82)”. Consequently, majority of respondents have shown an average agreement about the current implemented performance appraisal system in the hospital. As for the demographic statistics, table 1 summarizes the obtained results.

Table 8: Results for Demographic characteristics

<table>
<thead>
<tr>
<th>Demographic characteristics</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>37% males</td>
</tr>
<tr>
<td></td>
<td>63% females</td>
</tr>
<tr>
<td>Age</td>
<td>41% 20-30</td>
</tr>
<tr>
<td></td>
<td>40% 31-40</td>
</tr>
<tr>
<td></td>
<td>11% 41-50</td>
</tr>
<tr>
<td></td>
<td>8% above 50</td>
</tr>
<tr>
<td>Education</td>
<td>67% employees (vocational degree)</td>
</tr>
<tr>
<td></td>
<td>6% High School</td>
</tr>
<tr>
<td></td>
<td>26% BBA</td>
</tr>
<tr>
<td></td>
<td>1% MBA</td>
</tr>
<tr>
<td>Occupation</td>
<td>90% nurses</td>
</tr>
<tr>
<td></td>
<td>7% administrative</td>
</tr>
<tr>
<td></td>
<td>3% technicians</td>
</tr>
<tr>
<td>Years of experience</td>
<td>48% 5-10 years of experience</td>
</tr>
<tr>
<td></td>
<td>38% less than 5 years</td>
</tr>
<tr>
<td></td>
<td>14% 11-20 years of experience</td>
</tr>
<tr>
<td>Length of service at current hospital</td>
<td>56% 5-10 years of experience</td>
</tr>
<tr>
<td></td>
<td>44% less than 5 years</td>
</tr>
</tbody>
</table>

4.4 Reliability and Validity of Data
The next step was to measure the goodness of the measurement tool. Cronbach’s alpha is greater than 0.7(0.744) for the 17 items. So, the reliability test showed “high consistency among the research variables”. Moreover, the validity that is “the extent to which a measure correctly represents its corresponding construct” was detected using exploratory factor analysis (EFA). According to Hair et al., (2010), “The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy had to be more than 0.5 and the Bartlett’s test of sphericity should show the significance of the validity at p < 0.05. Items having high loading factor should be deleted to increase the value of KMO above 0.5.” Respectively, EP2, EP5, PA1, PA4, PA5 were deleted. Table 2 shows that all constructs have KMO values greater than 0.5 and “Bartlett’s test of sphericity” are significant (p < 0.05).

Table 2: EFA Results for Validity test

<table>
<thead>
<tr>
<th>Constructs</th>
<th>No. of Items</th>
<th>KMO</th>
<th>Bartlett’s Test of Sphericity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Appraisal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traditional Appraisal</td>
<td>2</td>
<td>6</td>
<td>0.685</td>
</tr>
<tr>
<td>Self Appraisal</td>
<td>1</td>
<td>6</td>
<td>77.570</td>
</tr>
<tr>
<td>Customer Appraisal</td>
<td>3</td>
<td>6</td>
<td>21</td>
</tr>
<tr>
<td>Employee performance</td>
<td>7</td>
<td>0.614</td>
<td>139.014</td>
</tr>
</tbody>
</table>

4.5 Testing Hypotheses
4.5.1 Correlation
Table 3 below summarizes the results of correlation test. Performance appraisal and employee performance are significantly and positively correlated (r = 0.440> 0.3 and p < 0.01). Therefore, H1 is accepted. Also, the results showed that traditional appraisal method is significantly and positively correlated with employee performance.
(r=0.563, p<0.01). Thus, Ha is accepted. Similarly, self-appraisal methods is significantly and positively correlated with employee performance (r= 0.599, p<0.01). Thus, Hb is accepted. For customer appraisal, the results showed a positive and significant correlation with employee performance and it is considered that highest correlation among all variables (r=0.703, p <0.01). Hence, Hc is accepted.

Table 3: Pearson Correlations Results

<table>
<thead>
<tr>
<th></th>
<th>TradiAP</th>
<th>CUSAP</th>
<th>SELFAP</th>
<th>AVEP</th>
<th>AVPA</th>
</tr>
</thead>
<tbody>
<tr>
<td>TradiAP Pearson Correlation</td>
<td>1</td>
<td>0.291**</td>
<td>0.031</td>
<td>0.563**</td>
<td>0.543**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.003</td>
<td>0.757</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>N</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>CUSAP Pearson Correlation</td>
<td>0.291**</td>
<td>1</td>
<td>0.368**</td>
<td>0.703**</td>
<td>0.354**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.003</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>N</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>SELFAP Pearson Correlation</td>
<td>0.031</td>
<td>0.368**</td>
<td>1</td>
<td>0.599**</td>
<td>0.165</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.757</td>
<td>0.000</td>
<td>0.000</td>
<td>0.100</td>
<td>0.100</td>
</tr>
<tr>
<td>N</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>AVEP Pearson Correlation</td>
<td>0.563**</td>
<td>0.703**</td>
<td>0.599**</td>
<td>1</td>
<td>0.440**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>N</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>AVPA Pearson Correlation</td>
<td>0.543**</td>
<td>0.354**</td>
<td>0.165</td>
<td>0.440**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td>0.000</td>
<td>0.100</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>N</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

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

4.5.2 Regression Analysis

The “multiple correlation coefficients (R) and the coefficient of multiple determinations R2” shown in Table 4 indicate that appraisal performance methods are explaining 79.4% of the employee performance variability.

Table 4: The Results of Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.891a</td>
<td>0.794</td>
<td>0.788</td>
<td>0.160</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), SELFAP, TradiAP, CUSAP

In addition, Table 5 shows that appraisal performance significantly predict employee performance “F (3, 96) = 123.498 and p < 0.01”.
5. Conclusions

Based on the obtained results, performance appraisal system is fairly practiced in Hiram hospital. As mentioned earlier, customer appraisal method got the highest correlation coefficient in relationship with employee performance. Therefore, employees are interested by the customers’ effective feedback.

The research findings also revealed that employees know very well “what is expected from them to do in this hospital and they always inform their supervisor about all tasks they do as well”. Nevertheless, employees are not accustomed yet with self-criticism attitude. Therefore, there should be training and development programs to help employees do self-appraisal and discuss with supervisors when necessary. Generally, results showed that from the employees’ perspectives, patients are greatly satisfied from the employees’ outstanding performance. Besides, there are complaints to management regarding any undesirable actions.

Despite of some limitations at the level of self-appraisal methods, this did not show a negative effect on the employee performance. The findings showed that majority of employees are performing in an outstanding level at “task, adaptive and contextual levels”. Hence, employees are able to handle their tasks with least supervision and high quality standards as well. Moreover, the research findings showed that employees enjoy the current job flexibility at work. As for the level of contextual performance, employees did not show any problem to ask peers for help and they dynamically contribute in group-discussions as well as voluntary mentoring new colleagues.

6. Recommendations

This research has successfully achieved the proposed objectives. Thus, top managers in hospitals would benefit from such empirical studies to focus more on employee involvement, and inspire employees to apply self-criticism. The obtained results encourage appraisals to focus on a more comprehensive appraisal system such as the “360 degree feedback approach” that pools all internal and external appraisal methods. On the other hand, this study has some limitations at the level of population and sample size. The results reflected the status of current performance appraisal system at one hospital, therefore future studies are encouraged to enlarge the sample frame geographically, and use diversity of hospitals in terms of size and type. In addition, appraisal methods could be studied from different perspectives other than employees.

References


Hageman, M.G., Ring, D.C., Gregory, P.J., Rubash, H.E. and Harmon, L., 2015. Do 360-degree feedback survey...


APPENDIX A

**Questionnaire**

**SECTION A: DEMOGRAPHICAL CHARACTERISTICS.**

*Please identify your demographical characteristics by circling the appropriate number.*

<table>
<thead>
<tr>
<th>Gender</th>
<th>1. Male</th>
<th>2. Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>1) 20-30</td>
<td>2) 31-40</td>
</tr>
</tbody>
</table>

**Highest level of education**

1. High School
2. BBA/BA/BS
3. BSN
4. BT/TS
5. MBA/MA/MS
6. MPH
7. MD
8. Others. Please specify……………..

**Years of experience in healthcare organization**

1) Below 5 years
2) 5-10
3) 11-20
4) Above 20 years

**How long have you been working in this hospital?**

1) <5 years
2) 5 - 10 years
3) 11 - 15 years
4) 16 - 20 years
5) >20 years

**What is your occupational category?**

1. Nurse
2. Administration
3. Physicians
4. Technician
5. Pharmacists
6. Others. Please specify:………..
SECTION B: MEASUREMENT PERFORMANCE APPRAISAL

From the statements listed below, please circle the number which best represents your opinion about the implemented performance appraisal systems in this hospital.

<table>
<thead>
<tr>
<th>Statements</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Traditional appraisal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PA1 My direct supervisor evaluates my performance regularly</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PA2 My direct supervisor has enough time to evaluate my performance</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PA3 My direct supervisor shares evaluation results with me</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>Self-appraisal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PA4 I know very well what is expected from me to do in this hospital</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PA5 I criticize my own performance regularly</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PA6 I inform my supervisor about all tasks I do in this hospital</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>Customer appraisal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PA7 Patients show their satisfaction from my good performance</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PA8 Patients complaint to management about my poor performance</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
SECTION C: MEASUREMENT OF EMPLOYEE PERFORMANCE

From the statements listed below, please circle the number which best represents your opinion about your own performance in this hospital.

<table>
<thead>
<tr>
<th></th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Task performance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EP1 I use to maintain high standard of work</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>EP2 I am capable of handling my assignments without much supervision.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>EP3 I am very passionate about my work</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>Adaptive performance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EP4 I could manage change in my job very well whenever the situation demands</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>EP5 I always believe that mutual understanding can lead to a viable solution in organization</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>EP6 I am very comfortable with job flexibility</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>Contextual performance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EP7 I used to extend help to my co-workers when asked or needed</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>EP8 I actively participate in group discussions and work meetings</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>EP9 I use to guide new colleagues beyond my job specialization</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
Factors influencing the investor's decision in Syrian Initial Public Offering Market: survey Study

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ARTICLE DETAILS

Purpose: The purpose of this paper is to investigate the role of company industry, IPO timing, owners' reputation and marketing efforts in investor's decision in Syrian initial public offering market IPOs

Design/Methodology/Approach: A questionnaire survey was administered to 270 investors in Damascus Securities Exchange. Some descriptive statistics and One-Sample tests were used to analyze the data and test the hypotheses.

Findings: The research found that investor's decision is influenced significantly by IPO timing, owner’s reputation and marketing efforts in the Syrian IPOs market.

Implications/Originality/Value: This research presents that Syrian companies can use these factors as an approach to increase the quality of their IPO, on another hand, financial regulators can enhance the IPO control process, adding to the results that can contribute to understanding marketing-finance interface and behavioral finance literature.

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1. Introduction

As an important part of the financial system, financial markets have become an important pillar of the modern economy. It provides good opportunities for individual investors as well as funding for private and government institutions. It also provides a convergence of borrowers with lenders and thus contributes to the efficiency of the economy through the efficient allocation of capital, which includes an economic function in the welfare of society. Conversely, market vibrations or poor regulation are leading to serious economic consequences. (Mishkin, 2004)

The capital market is a marketplace in which financial instruments are issued and traded (Jakob.et al, 2009, p65). In other words, it is the framework in which the supply and demand sides of securities interact regardless of the spatial dimension (Gitman & Joehnk, 2008), and are mainly divided into primary markets where securities are sold for the first time, and the secondary market is concerned with post-issue transactions (DG EAC, 2010) Thus, institutions
obtain long-term financing in the primary market through the IPO process, which involves creating new securities when the company is established or when its shares are put on the public market and her money after listing in the secondary market. (Ross et al, 2008)

IPO plays an effective economic role, as one of the channels of investment flow across markets. According to the World Federation of Exchanges (WFE), the total value of newly created shares in 2016 was around US $ 142.5 billion and the total value of the capital increase of listed companies was US $ 672.3 billion. While the total value of bonds issued was approximately US $ 4.327 trillion, 1,349 companies issued new shares during the year (World Economic Forum, 2016). However, IPO offers many benefits to the issuing company, such as increased funding for the expansion of activities and markets as well as the IPO helps in increasing the company's recognition and position in the financial community, which can reduce the cost of capital.

On the other hand, many kinds of literature tried to explain the investor's decision in capital market because of his significant place within the market through economic utility theory perspective depending on four assumptions: (1) completely rational, (2) able to deal with complex choices, (3) risk-averse and (4) wealth-maximizing, where investor prefers opportunity maximize expected return and minimize risk (Nagy&Obenberger, 1994). Likewise, subsequent studies depend on “bounded rationality” term showed that investors are prone to biases, which led to the development of behavioral finance theories (Ndirangu. et al, 2015)

Furthermore, the affected factors on investor's decisions have paid much attention to finance studies in the primary market. Bell.et al (2014) examined the role of governance mechanisms on investors' valuation of foreign IPO’s in the USA, they found relationship between governance and investors' appetite for IPO’s. Bruton.et al (2010) argued that concentrated ownership improves IPO’s performance in English and French companies went public. Wang.et al (2017) showed that herd behavior influences IPO’s demand in Taiwan market. In addition to the literature that studied differences in personal factors among investors such as Ndirangu. et al (2015) who pointed to the differences in investment decisions in the Kenyan market as a result of demographic characteristics between men, women, youth and the elderly, in addition to the social situation with regard to the preferences of the poor and rich. Furthermore, much previous research has examined the variables affected on investor ‘decision in secondary market during exchange such as Kadariya (2012) investigated the impact of information on investor ‘decision in Nepales stocks exchange, the findings showed that capital structure, political and media coverage, the financial education and trend analysis have impact on investor decision. Islamoğlu et al (2015) by using factor analysis methodology, determined the factors affected on investor behavior in Turkish markets.

In the same context, this paper attempts to determine the role of some proposed factors in investor’s decisions during IPO’s sin the Syrian market in the Medial East region. According to the literature review, four variables had determined, they classified as objective rather than personal factors by using survey methodology considering behavioral finance view.

The remainder of the paper is structured as follows. The background of the Syrian IPOs market is presented in Section 2. Section3 presents a theoretical discussing of the IPO process as well as a proposed factor with hypotheses development, section 4 presents data and methods adopted in the empirical study. Section 5 presents results and discussion of hypotheses. Section 6 presents the conclusion of the paper and future recommendations.

2. Syrian IPO’s Market

The Syrian IPO market witnessed significant developments after 2000, especially with regard to the regulatory framework of the market with the establishment of the Syrian Commission for Financial Markets and Securities (SCFMS) as a regulator of the financial markets and the activities attached thereto in The number of Syrian companies that issued new shares during the period (2003-2009) is 21, knowing that the IPO was completely stopped after 2011 due to the security and political crisis. The total value of IPOs in the period under study is the US $ 342 million, equivalent to 35% of the total capital, as well as the coverage or increase of the IPO between 100% and 988% as in Table 1:

Table (1) IPO’s in Syria (2003-2009)
<table>
<thead>
<tr>
<th>Company</th>
<th>year</th>
<th>amount SP</th>
<th>amount USD</th>
<th>IPO percentage of capital</th>
<th>Coverage ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banque Bemo Saudi Fransi</td>
<td>2003</td>
<td>857,000,000</td>
<td>17,140,000</td>
<td>49%</td>
<td>102%</td>
</tr>
<tr>
<td>The International Bank for finance &amp; Trade</td>
<td>2003</td>
<td>702,600,000</td>
<td>14,052,000</td>
<td>47%</td>
<td>111%</td>
</tr>
<tr>
<td>Bank of Syria and Overseas</td>
<td>2003</td>
<td>1,189,500,000</td>
<td>23,790,000</td>
<td>40%</td>
<td>208%</td>
</tr>
<tr>
<td>Bank Audi</td>
<td>2005</td>
<td>625,000,000</td>
<td>12,500,000</td>
<td>25%</td>
<td>988%</td>
</tr>
<tr>
<td>Arab Bank</td>
<td>2005</td>
<td>364,950,000</td>
<td>7,299,000</td>
<td>24%</td>
<td>441%</td>
</tr>
<tr>
<td>Byblos Bank Syria</td>
<td>2005</td>
<td>300,000,000</td>
<td>6,000,000</td>
<td>15%</td>
<td>198%</td>
</tr>
<tr>
<td>Syria Gulf Bank</td>
<td>2006</td>
<td>390,000,000</td>
<td>7,800,000</td>
<td>26%</td>
<td>245%</td>
</tr>
<tr>
<td>Cham Bank Islamic</td>
<td>2006</td>
<td>1,250,000,000</td>
<td>25,000,000</td>
<td>25%</td>
<td>518%</td>
</tr>
<tr>
<td>United Insurance Company</td>
<td>2006</td>
<td>433,500,000</td>
<td>8,670,000</td>
<td>51%</td>
<td>107%</td>
</tr>
<tr>
<td>Syrian Kuwaiti Insurance Company</td>
<td>2006</td>
<td>425,850,000</td>
<td>8,517,000</td>
<td>50.1%</td>
<td>167%</td>
</tr>
<tr>
<td>National Insurance Company</td>
<td>2006</td>
<td>450,500,000</td>
<td>9,010,000</td>
<td>53%</td>
<td>100%</td>
</tr>
<tr>
<td>Syria International Insurance- Arope</td>
<td>2006</td>
<td>503,000,000</td>
<td>10,060,000</td>
<td>50%</td>
<td>100%</td>
</tr>
<tr>
<td>Orient Insurance Company</td>
<td>2006</td>
<td>433,500,000</td>
<td>8,670,000</td>
<td>51%</td>
<td>100%</td>
</tr>
<tr>
<td>Syria International Islamic Bank</td>
<td>2007</td>
<td>2,550,000,000</td>
<td>51,000,000</td>
<td>51%</td>
<td>336%</td>
</tr>
<tr>
<td>Al-Aqeeleah Takaful Insurance</td>
<td>2007</td>
<td>1,020,000,000</td>
<td>20,400,000</td>
<td>51%</td>
<td>101%</td>
</tr>
<tr>
<td>SolidarityAlliance Insurance</td>
<td>2007</td>
<td>510,000,000</td>
<td>10,200,000</td>
<td>51%</td>
<td>144%</td>
</tr>
<tr>
<td>Bank Of Jordan- Syria</td>
<td>2008</td>
<td>505,200,000</td>
<td>10,104,000</td>
<td>34%</td>
<td>100%</td>
</tr>
<tr>
<td>Fransabank- Syria</td>
<td>2008</td>
<td>630,000,000</td>
<td>12,600,000</td>
<td>36%</td>
<td>235%</td>
</tr>
</tbody>
</table>
3. Theoretical Discussing

3.1 IPO process

The IPO process encompasses several phases. First, when an issuer decides to issue new shares, it contracts with a lead manager or underwriter. In general, investment banks are responsible for this task, except when the task is assigned to brokerage firms in some cases. A syndicate of a leading investment bank and several other banks is usually formed to manage the issuance process (Basdeo et al, 2006).

The second step involves the legal arrangements of the regulator (the Securities Market Authority) that regulates and oversees the IPO market. The company must submit a set of documents attached to the issuance application in preparation for acceptance of the prospectus by SCA (SCFMS, 2006). The prospectus is a brochure containing a detailed information package for the issues such as the use of the proceeds of the issuance, management team information and economic feasibility with a view to protecting investors and providing all possible information necessary for their decisions (Arkebauer & Schultz, 1999).

The final stage of the IPO is when new shares become publicly available in the market and investors who wish to subscribe to the quantities they want during the announced period begin the allocation process, ending with the announcement of the success of the IPO “tombstone.”

3.2 Proposed Factors and Hypotheses Development

Four factors have been suggested considering the literature review to study their effect on investor’s decision during IPO’s: company industry, Timing of IPO, the reputation of funders and marketing efforts during IPO.

3.2.1 The Industry of the Company

Generally, a lot of researchers studied the IPO in specific sectors such as Kalova (2017) in shipping sector, Satta et al (2017) in port industry, Alqahtani&Boulanouar (2017) in sharia compliance status, Anderloni & Tanda(2017) in green energy companies. Initially, it is expected that investor preferences and therefore decisions will vary depending on the sector of the company issuing securities by IPO, IPO’s are distributed between banks and insurance during the period under study in Syria Therefore, in this research so it is hypothesized that:

Hypothesis 1: company industry effect on investor’s decision in the Syrian IPO’s market.

3.2.2 Timing of IPO

Timing of going public is the most critical element in the IPO process, it is related directly to the success of IPO, and one-third of companies are convinced that timing of IPO is the most important point when considering an IPO (Deloitte, 2016). According to Ljungqvist (2006) during certain periods, individual investors are very optimistic and overvalued the company shares, that motivate owners to take the decision of IPO, Similarly, the increase in demand more than supply during selling a new shares leads to “hot IPO” phenomenon as a result to some investment opportunities available to companies in particular period, (Benninga et al, 2005), In short, the timing of IPO associated with investors' mode in one hand and company position in the other. Therefore, the second hypothesis in this paper as following:

Hypothesis 2: timing of IPO effect on investor’s decision in the Syrian IPO market.

3.2.3 The Reputation of the Involved Parties

There is no specific and clear definition of company's reputation concept, where the definition was addressed according to different views of the researchers based on their scientific backgrounds, supposedly, the oldest definition of reputation has been contained in Webster's Dictionary in 1913 as “the assessment of public opinion to someone; the character to attribute to a person, thing or action; repute” (Manto & Alan, 2001)
In IPO’s Market, reputation plays an important role for several Parties, first the reputation of issue manager (underwriter) has impact on demand for new shares and their price in secondary market letter, in the same time the underwriter has a direct interest in the success of IPO and getting good prices because the reverse may expose it to reputation risk. In contrast, the investment bank also prefers to deal with reputable companies regarding management and marketing of its issuances, which increases the chances of the bank to gain new issuers in the future, which is the same on the companies side as the contract with a reputable investment bank directly affects the outcome of the IPO. (Nanda,1997), (Guner et al,2000), (Ertuna et al, 2003), (Kenourgios et al, 2007) and(Yip et al,2009),

With respect to founders and block holder’s reputation, some studies concluded that reputation of venture capitalist firms contributes directly to success of IPO and its performance after issuing (Krishnan et. al, 2011), As well for large owners who enhance the performance of shares in the market after listing because of their reputation especially, when they keep their investments in the corporation. (Cronqvist & Fahlenbrach, 2009) Consequently, the third hypothesis in this paper as following:

Hypothesis 3: owner’s reputation effect on investor’s decision in the Syrian IPO market.

3.2.4 Marketing Efforts During IPO
According to Luo (2008), most of the IPO research has been studied in the financial literature, while it has not received sufficient attention from a marketing perspective. Therefore, the “marketing and finance interface” is an effective approach to creating value for shareholders, and has concluded that there is a relationship between marketing spending received from the IPO depending on customer equity theory of market-based assets,

 Bahadir et al (2015) focused on signal theory as a theoretical framework for the relationship between the company's ability to attract potential investors to its issues and its marketing efforts before issuance, where marketing efforts provide a clear signal to investors about the quality of the company and its future.

On the other hand, Demers and Willen (2002) found that media attention leads to an increase in the IPO price in the stock market as well as improved product market performance for Internet companies in the USA. In addition, Cook et al (2006) proved the important role of advertising in attracting new investors and achieving issuance goals. Based on the above, this research is hypothesized that:

Hypothesis4: marketing efforts during IPO effect on investor’s decision in the Syrian IPO market.

4. Data and Methods
In order to achieve the objectives of the research in defining the impact of the company's industry, the timing of the IPO, the reputation of the owners and the marketing efforts on the investors' response for the IPO, the preliminary data was approved through the questionnaire form for individual investors in the Damascus Securities Exchange. A total of 270 analyzable forms were retrieved ( N=270)

The questionnaire involves two parts, the first part about for personal information of the respondents, and the second for questions of four proposed factors divided into 20 questions depending on the Fifth Likert Scale. Also, the validity and reliability of the questionnaire were tested using Alpha Cronbach test, where the results refer to the validity of every question and the questionnaire as a whole (> 0.8).

Statistical Package for Social Science (SPSS) Version 20 software by IBM is used to data analysis and to infer the relationship between the variables. We used some descriptive statistics and a one-sample t-test to testing research hypotheses by definition which factor has the most and least impact on investors' decisions in the Syrian IPOs market.

5. Results and Discussion
In this part, the analysis of collected data was conducted regarding the characteristics of the sample and descriptive statistics of variables in addition to hypotheses testing.

5.1 Sample Criteria Analysis
The characteristics of the studied sample are shown in table 3-1 as follows:
Most respondents (61%) were male versus 39 percent are female. Based on age, about 75% of respondents are in the age group of 25-35 followed by 12 percent in the 35-45 age group, while 10 percent are above 45 years. This indicates the nature of Syrian society where the majority of the population is young, which extends to investors of the financial market belonging to the same category.

In terms of educational background, 50 percent of respondents have a bachelor's degree and 37 percent have a master's degree. Regarding investment experience. Majority of the respondents (56%) have 6-10 years of investment experience, while 28% have 1-5 years of experience. It is a result of the fact that the stock market in Syria is a new one that was opened in 2009 and thus the experience of investors in this sector.

Regarding occupation, 59 percent of the respondent belong to freelancers group, while 31 percent are from employees' group. On the other hand, more than half of sample (51%) had a bachelor's degree, 37 percent had master degree.

Table 3.1 Criteria of Respondents’ Sample

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>61%</td>
<td>39%</td>
<td>270</td>
</tr>
<tr>
<td>Age</td>
<td>Less than 25</td>
<td>25-35</td>
<td>35-45</td>
</tr>
<tr>
<td>Percentage</td>
<td>3%</td>
<td>75%</td>
<td>12%</td>
</tr>
<tr>
<td>occupation</td>
<td>employee</td>
<td>freelancers</td>
<td>student</td>
</tr>
<tr>
<td>Percentage</td>
<td>31%</td>
<td>59%</td>
<td>6%</td>
</tr>
<tr>
<td>Education</td>
<td>High school</td>
<td>bachelor's</td>
<td>Master</td>
</tr>
<tr>
<td>Percentage</td>
<td>13%</td>
<td>50%</td>
<td>32%</td>
</tr>
<tr>
<td>Experience</td>
<td>1-5 years</td>
<td>6-10 years</td>
<td>11-15 years</td>
</tr>
<tr>
<td>Percentage</td>
<td>29%</td>
<td>59%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: SPSS results

5.2 Descriptive Statistics
Table 3.2 contains the standard deviation and mean of the study variables to determine the significance of these variables statistically

Table 3.2 Descriptive Statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>mean</th>
<th>standard deviation</th>
<th>important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry of company</td>
<td>270</td>
<td>3.7111</td>
<td>.91485</td>
<td>High</td>
</tr>
<tr>
<td>Timing of IPO</td>
<td>270</td>
<td>4.2222</td>
<td>.46875</td>
<td>High</td>
</tr>
<tr>
<td>Reputation of owners</td>
<td>270</td>
<td>4.1000</td>
<td>.70392</td>
<td>High</td>
</tr>
<tr>
<td>Marketing efforts</td>
<td>270</td>
<td>3.5333</td>
<td>1.01727</td>
<td>High</td>
</tr>
</tbody>
</table>

Source: SPSS results

All variables have high important means (≥ 3.5), also the values of the means lay between 3.2 and 4.2 which refers to converging in terms of importance and indicates the similarities of the views of the sample on the variables influence. At the same time, standard deviation values indicate that respondents' answers are not dispersed.

5.3 Hypotheses Test
A single sample t-test was used to verify the research hypotheses in determining the impact of the four proposed factors on the investor's decision during the IPO,

Depending on the comparison of the calculated average with the adjusted average (3.4). An alternative hypothesis is accepted if the Sig level is smaller than the 5% value.

Table 3.3 the one-sample t-test results
The table shows that the significance level for all factors at $p<0.05$ except “industry of company” factor, that means the sample agree with three hypotheses of research, and their investment decisions during IPO affected by timing of IPO, reputation of owners and marketing efforts, as well, investors negligence of to the company industry may be due to the weak of investment culture and the inability to distinguish the risks and benefits associated with each industry.

Investors do not attach importance to the sector of the company because of the structure of the IPO market, where financial companies dominated the size and number of issues during the period under study. Moreover, timing plays an important role in investor decision as a result of the published news and information impact in general, especially the news of the imminent opening of the Damascus Securities Exchange as a new channel for investment and to evaluate investments in the IPO, especially after taking into account the phenomenon of underpricing. Likewise, trust comes from reputations, especially when investing in companies that offer their shares for the first time to the public. It is also a reflection of society and culture that relies heavily on personal relationships, which spill over into business. At the same time, marketing efforts can change the outcome of the issuance with its overlaps to influence consumer/investor decisions, meaning that marketing before and in conjunction with the issuance helps the company achieve its goals by contributing to persuading potential investors.

6. Conclusion
The results of this paper show that three factors (Timing, reputation, and marketing) have a significant impact on an investor's demand at a new share issued by the IPO process. In other words, Syrian investors are paying more attention to these three variable, while not caring for the industry of firm issued new shares.

We hope that Syrian investors can enhance their knowledge and skills to make a fit investment decision decisions. Likewise, Syrian companies can also use this scintific approach to increase the effecicncy of the IPO decision, as well as capital market regulators that can empower IPO process monitoring.

Generaly, this study recommends that the Syrian policymakers should put a sold plan to encourage companies to go public, which may lead to economic advantages and diversification of investment channels, thus contributing to development goals atchevement.

For future research, more research for more factors that may influence investor decision in the financial market whether rational or behavioral, as well as a comparative study on the decisions of investors in different markets.

References

Deloitte Development LLC. (2016). Private company IPOs: Is timing everything? Available at: https://www2.deloitte.com


Determinants of Service Quality and Customer Satisfaction of Retail Clothing Company

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Abstract
The study aims to investigate the relationship between service quality and customer satisfaction in a retail clothing company. The study utilized the SERVQUAL model to guide the study. Purposive sampling was applied in the study where quantitative (survey) method was employed with generating 140 valid responses. The data were then analyzed using Partial Least Squares Structural Equation Modelling through Smart-PLS 3.0. The results revealed that three (3) dimension of SERVQUAL (tangibles, empathy, and responsiveness) has a positive and significant relationship with customers. However, reliability and assurance yielded negative with customer satisfaction. In addition, out of the five determinants of SERVQUAL, assurance was found not significant to customer satisfaction. Conclusion, implications, and suggestions for future study are also discussed.

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Keywords
Service Quality, Customer Satisfaction, SERVQUAL, Clothing Industry

JEL Classification:
L15, L19, P29

1. Introduction
Service quality has become a significant aspect of service marketing to gauge the survival of the companies, especially in the turbulent emerging business environment (Omar, Ariffin, & Ahmad, 2016). Therefore, understanding the perception of customers on how they perceived the services of the companies has become a pivotal agenda of the service firms. Numerous past studies have highlighted the outcomes of having a good service quality such as improving market share and sales (Becerril-Arreola, Zhou, Srinivasan, & Seldin, 2017), increase customer satisfaction and loyalty (Alauddin, Ahsan, Mowla, Islam & Hosain, 2019; Leinkumar, 2017).

In Malaysia, retail service sector set for stronger sales projected to grow by 4.7 or RM104.4 billion in the year 2018 as compared to the growth seen in the year 2017 (Kana, 2018). In addition, according to the Statista (2018), market demand for clothing or apparel industry in Malaysia from 2011 to 2018 showed a positive growth, and expected to reach 7 billion US dollars in the year 2018. In addition, Textiles Intelligence (2018), reported that the Malaysian clothing industry employs over 90,000 people and the Malaysian government aims to export target of US$6 bn for
the year 2020, which indicated that the clothing industry as an important sector which contributed to the national Gross Domestic Products (GDP).

However, there are many challenges faced by the clothing industry, for example, issues with the labour trafficking and foreign workers as the clothing industry required many workforces to manufacture the products (Suhrawardi, 2019), factory closures and relocations due to many competitors and unstable economy (Crinis, 2012). Hence, without the skills and knowledgeable workforce, it will affect the services provided by the company and results in customer dissatisfaction as Hui and Yee (2015) argued that frontline employees who have direct interactions with the consumers has a significant effect on customer satisfaction.

Although numerous past research have been examined on the service quality and various customer outcomes which focused on various industries, such as hotel and restaurant (Omar, et al., 2016; Priyo, Mohamad, Adentunji, 2019; Shah, Jan, & Baloch, 2018), airlines (Khuong & Uyen, 2014), telecommunication (Danish, Humayon, Iqbal, Raza, & Shahid, 2018; Tariq & Nik Mat 2018); education (Kundi, Khan, Qureshi, Khan, & Akhtar, 2014; Singh & Kumar, 2016), banking (Ali & Raza, 2017; Rouf, Kamal, & Iqbal, 2018; Whingan & Ogundare, 2018) and some textile industry have also been found (Luximon & Chan, 2017; Singh & Aggarwal, 2017). However, those studies required further investigation in Malaysian setting as different countries have different social economic status and the segmentation of customers were also vary.

In addition, majority studies who did on the retail sectors focusing on the retail service quality scale (RSQS) (Asare, Xu Ming, 2016; Jain & Aggarwal, 2018). However, there are also some arguments that SERVQUAL also applicable to test on the retail sectors (Bat-Ochir, Bold, Sodnom-Ochir, Sodnom-Ochir, & Munkhbat, 2018; Hisham, Sanyal, & Ahmad, 2016; Selvabaskar & Shannmuga Priya, 2015). Hence, due to inconsistency argued in the literature, it has urged the researchers to retest again the study by using the SERVQUAL model. Based on the notion above, therefore, the current research intends to investigate the service quality and customer satisfaction of a retail clothing brand in Malaysian setting.

2. Literature Review

2.1 Related Past Studies of Service Quality and Customer Satisfaction

Mistri and Bhatt (2013) tried to investigate the attributes that influence perception of consumers towards service quality of hypermarkets in Ahmedabad City, Gujarat. The study utilized RSQS (Dabholkar, Thorpe, & Rentz, 1996) which measure on the physical aspect, reliability, personal interaction, problem solving, and policy. The study comprised of 240 active retail shoppers by using convenience sampling and analyzed using factor analysis. The findings revealed that the results do not support the five dimensions that proposed by the Dabholkar et al., (1996), as the analysis gave eight dimensions. Based on the discussion, it has urged the management of the retail shoppers still can apply the five (5) dimensions as the foundation in improving the service quality of retail stores, however, when the countries developed, the behavior of the consumers will also change accordingly, whereby consumer may consider the intangible aspects more prominently in service quality.

In addition, Selvabaskar and Shammuga Priya (2015) carried out a study to investigate the customer satisfaction of a fashion apparel retail in Chennai, India by using the SERVQUAL model. The results of the study shown that most of the customers are satisfied with most of the SERVQUAL dimensions. In addition, the analysis shows that there is a weak and positive relationship between income and quantity of purchase.

Luximon and Chan (2017) aimed to investigate the expectation of service quality and cultural diversity in Hong Kong fast fashion industry. The service quality expectation comprised of physical aspect, reliability, personal interaction, problem solving, and policy. The findings confirmed the importance of cultural factors in shaping service quality of consumers. Based on the discussion, every customer will have different expectations and preferences on the services provide by the retailers, hence, the fashion retailers should understand the customers’ expectation in order to stay competitive advantage among its rivals.

Shahneaz and Salma (2013) aim to examine the customer satisfaction of service quality at Mega Shops of Dhaka city. The findings of the regression analysis shown tangible, customer knowledge, and competence has a significant effect on overall customer satisfaction, however, responsiveness does not showed significant relationship with the overall customer satisfaction of retail stores. Based on the discussion, it has called upon the management of the retail store to improve on the responsiveness and main the other attributes of service quality. This is because service quality serves as a marketing tool in differentiating the company and its rivals.
Hisham et al., (2016) aimed to study the impact of service quality on the satisfaction of consumers in retail stores in Indian using SERVQUAL and GAP models. Random sampling has been utilized to collect the data, which comprised of 300 respondents from 3 cities of India (Kolkata, Varanasi, and Ranchi). The results of the study shown that tangibility, reliability, responsiveness, assurance, and empathy dimensions were integrated into all the three retail companies in selected cities. In addition, tangibility has a bigger gap as compared to other attributes. Based on the study, it had urged the management of the retail store to focus on the visual characteristics which are appealing to the customer (tangibility). Besides, retail outlet’s employees at reception desk should also be neat to appear pleasant to the customers as employees are the identity and brand of the corporations.

Kundi et al., (2014) tried to examine the effects of service quality and customer satisfaction in one of the Higher Education Institutions in Pakistan. The study utilized SERVQUAL model and the findings revealed that there are positive and significant relationships between all the attributes (tangibility, reliability, assurance, responsiveness, assurance, empathy) with customer satisfaction. In addition, tangibility and assurance considered as the two determinants to improve the service quality of higher education system. Based on the above discussion, service quality has become a significant marketing tool in attracting and retain customers. This can be further explained that university nowadays had transformed become like a business entity, hence, staff and student satisfaction and their expectation become important as they are the stakeholders which bring the survival of the institution.

Rajeswari, Srinivasulu, and Thiyagarajan (2017) intent to analyze the interrelationship among service quality, customer satisfaction, and customer loyalty in the Wireline Telecom companies. The study employed multistage sampling to gather responses from 381 broadband customers. Structured questionnaires were distributed and the instrument was based on SERVQUAL and E-S-Qual model. The findings revealed that customer satisfaction has a mediating effect between service quality and customer loyalty.

In addition, Huang, Lee, and Chen (2017) aims to investigate the service quality on customer satisfaction and loyalty in business-to-business (B2B) technology service industry. The study utilizes PZB model to guide the study. The findings revealed that service quality (tangibility, reliability, responsiveness, assurance, and empathy) positively influences customer satisfaction. Moreover, customer satisfaction has a positive effect on customer loyalty, and brand awareness plays the role as a moderator which positively influence the relationship between those variables.

Based on the above notion, competition among Telco companies is very challenging. Hence, every company should satisfy their customers by providing high and good quality services. The company should make their internal customers, which are the employees satisfied with their services before project to the external customers, as the internal customers can be an ambassador for the company to market the effective service quality to the clients and contribute to the customers’ satisfaction and lead to the loyalty in the long run.

In addition, Jaskulska (2013) intends to test the prediction of customer satisfaction through the dimensions of service and product quality in the ZARA clothing retail industry in Ireland. The study applied SERVQUAL for quality service as a basis for constructing the instrument. Based on the findings, the customers seem satisfied with ZARA personnel and they agree that reliability, responsiveness, and credibility are the factors that meet their expectations. In addition, the results explained that understanding and serviceability are the predictors which influence customer satisfaction.

Tessera, Hussain, and Ahmad (2016) aims to investigate the service quality and customer satisfaction in the Ethiopia hotel industry by utilizing the SERVQUAL model. The findings revealed that three (3) dimension of SERVQUAL namely, tangibles, responsiveness, and empathy had high significant effects on customer satisfaction. This has aligned with several literature who gained the similar results which indicate the significant relationship between service quality and customer satisfaction (Alauddin et al., 2019; Bat-Ochir et al., 2018).

Ali and Raza (2017) wish to investigate the service quality and customer satisfaction of Pakistan Islamic banks. The study applied SERVQUAL model which comprised of compliance, assurance, reliability tangibles, empathy, and responsiveness. The result showed that the SERVQUAL model has a positive and significant influence on customer satisfaction. In addition, the compliance proved to be the highest contributing factors in the model.
In the same vein, Whingan and Ogundare (2018) aims to examine the perceptions of customers on bank service quality and customer satisfaction. The results showed that three facets of service quality, namely, reliability, empathy, and assurance have a positive significant relationship with customer satisfaction. However, tangibility was found not significant to customer satisfaction.

In the hotel industry, Ahmad, Ahmad, and Papastathopoulous (2019) intend to investigate the service quality by applying the SERVQUAL model of customer satisfaction on 232 hotel guests in United Arab Emirates (UAE). The findings confirmed the three (3) dimensions of SERVQUAL: tangible, responsiveness, and assurance have a significant positive impact on customer satisfaction. However, reliability and empathy do not have a significant impact on visitors’ satisfaction.

Omar et al., (2016) intend to examine between service quality and customer satisfaction moderated by customers’ gender in Arabic restaurants. The findings showed that all the five service quality attributes have a positive relationship with customer satisfaction. However, the results of hierarchical regressions indicated that tangibles, assurance, and empathy have a significant positive relationship with customer satisfaction, but reliability and responsiveness were found insignificant. In addition, gender plays a significant role in moderate the service quality and customer satisfaction.

Based on the discussion above, therefore, the study hypothesizes that:

**H1:** Tangibles will have a positive relationship with customer satisfaction.

**H2:** Reliability will have a positive relationship with customer satisfaction.

**H3:** Assurance will have a positive relationship with customer satisfaction.

**H4:** Empathy will have a positive relationship with customer satisfaction.

**H5:** Responsiveness will have a positive relationship with customer satisfaction.

### 3. Methodology

#### 3.1 Research Design

This study utilized a quantitative (survey) design, whereby a structured self-administered, anonymous questionnaire had been distributed to the customers who have experiences buying the particular clothing brand. Survey design allows the researcher to effectively determine the opinions of respondents about a particular subject from a specific group of people (Babbie, 2016). Hence, the deductive approach by using the survey is deemed to be the suitable method to apply in this study.

#### 3.2 Population and Sampling

A total of 140 completed questionnaires was collected. According to Sekaran and Bougie (2016), a sample size range from 30 to 500 would be sufficient and acceptable for the social science studies. Convenience and purposive sampling was used to collect the data from the customers, where the customers must have experiences purchasing the clothing brand as part of the criterion before the customers answer the questionnaire.

#### 3.3 The Measurement

The instrument comprised of three (3) sections. Section A is a demographic profile of the respondents. Section B consists of the items pertaining to the facets of service quality, which comprised of tangibles, reliability, assurance, empathy, and responsiveness. Section C is the items pertaining to customer satisfaction. Demographic questions in Section A were designed to gather information about the respondents’ gender, age, race, and income. Section B is regards the specific dimensions of service quality that comprised of five (5) facets that adopted from Parasuraman, Zeithmal, and Berry (1988). The survey items for Section B was measured based on a five-point Likert-type scale where 1 represents “Strongly Disagree”; 2 represents “Disagree”; 3 indicates “Slightly Agree”; 4 represents “Agree”; and 5 indicates as “Strongly Agree”. Whilst for Section C, customer satisfaction the items were adapted from the Oliver (1997) and Lee-Kelley, Davies, & Kangis (2002) that measured on the five-point Likert-type scale where 1 indicates “Very Dissatisfied”; 2 represents “Dissatisfied; 3 indicates “Somewhat Satisfied”; 4 represents “Satisfied”; and 5 indicates “Very Satisfied”.

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3.4 Statistical Analysis and Significance
All the hypotheses developed were tested using Structural Equation Modelling (SEM). Two-stage analytical procedures were performed using Smart-PLS. SEM is deemed a suitable statistical tool for this study as PLS-SEM can handle complex models where there are many numbers of latent variables and constructs (Henseler, Ringle, & Sinkovics, 2009). In addition, PLS-SEM can also handle the data from non-probability sampling, with a small sample size and from non-normal distribution data (Awang, Afthanorhan, Asri, 2015; Hair, Risher, Sarstedt, & Ringle, 2019).

4. Results
Out of 140 respondents recruited in the study, 66.4% were female and 33.6% were male. Majority of respondents were Malay (52.1%), 15.7% were Chinese and 9.3% were Indian. Almost 86% of the respondents were from the income group which less than RM1500 per month, followed by income group between RM1500 to RM3000 (11.4%).

4.1 Measurement Model
For the measurement model, convergent validity and discriminant validity were assessed. The convergent validity of the measurement model was ascertained through factor loadings, average variance extracted (AVE) and composite reliability (CR) (Hair, Hult, Tomas, Ringle, & Sarstedt 2017).

As presented in Table 1, the factor loadings were all greater than 0.5 which is suggested by Hair, Ringle & Sarsterd (2011). Three items, EMP2, REL2, and TAN3 with factor loading less than 0.5 were deleted. In addition, the AVE and CR obtained were also higher than 0.5 and 0.7 respectively (Hair et al., 2017).

Two criteria, Fornell-Larcker (1981) and Heterotrait-monotrait (HTMT) (Henseler, Ringle & Sarstedt, 2015) was used to assess the discriminant validity. Table 2 shows that all the square roots of AVE (diagonal values) are more than the correlation coefficients between the constructs (off diagonal values), indicating discriminant validity is met (Fornell-Larcker, 1981). Discriminant validity is established if all the HTMT values obtained are less than the required threshold of HTMT.90 as per suggested by Gold, Malhotra & Segars (2001). As shown in Table 3, all the HTMT values passed HTMT.90 indicating that discriminant validity is ascertained. Collinearity issue was assessed using variance inflation factor (VIF) with a cut-off value of 5 as suggested by Hair et al., (2017). The VIF values as presented in Table 4 were all less than 5 indicating no collinearity issues.

Table 1: Convergent Validity

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>Loadings</th>
<th>Cronbach’s alpha</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assurance</td>
<td>ASS1</td>
<td>0.784</td>
<td></td>
<td>0.781</td>
<td>0.858</td>
</tr>
<tr>
<td></td>
<td>ASS2</td>
<td>0.649</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ASS3</td>
<td>0.864</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ASS4</td>
<td>0.795</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empathy</td>
<td>EMP1</td>
<td>0.703</td>
<td></td>
<td>0.757</td>
<td>0.833</td>
</tr>
<tr>
<td></td>
<td>EMP3</td>
<td>0.644</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EMP4</td>
<td>0.828</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EMP5</td>
<td>0.797</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reliability</td>
<td>REL1</td>
<td>0.844</td>
<td></td>
<td>0.831</td>
<td>0.882</td>
</tr>
<tr>
<td></td>
<td>REL3</td>
<td>0.747</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>REL4</td>
<td>0.781</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>REL5</td>
<td>0.855</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsiveness</td>
<td>RES1</td>
<td>0.839</td>
<td></td>
<td>0.869</td>
<td>0.910</td>
</tr>
<tr>
<td></td>
<td>RES2</td>
<td>0.797</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RES3</td>
<td>0.887</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RES4</td>
<td>0.863</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangibles</td>
<td>TAN1</td>
<td>0.795</td>
<td></td>
<td>0.635</td>
<td>0.772</td>
</tr>
</tbody>
</table>
TAN2 0.511
TAN4 0.854
Satisfaction
CS1 0.817
CS2 0.831
CS3 0.653
CS4 0.700

Table 2: Discriminant Validity Using Fornell-Larcker Criterion

<table>
<thead>
<tr>
<th></th>
<th>Assurance</th>
<th>CS</th>
<th>Empathy</th>
<th>Reliability</th>
<th>Responsiveness</th>
<th>Tangibles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assurance</td>
<td>0.777</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.346</td>
<td>0.754</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empathy</td>
<td>0.599</td>
<td>0.515</td>
<td>0.746</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reliability</td>
<td>0.692</td>
<td>0.305</td>
<td>0.579</td>
<td>0.808</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsiveness</td>
<td>0.552</td>
<td>0.520</td>
<td>0.709</td>
<td>0.555</td>
<td>0.847</td>
<td></td>
</tr>
<tr>
<td>Tangibles</td>
<td>0.445</td>
<td>0.505</td>
<td>0.392</td>
<td>0.498</td>
<td>0.359</td>
<td>0.735</td>
</tr>
</tbody>
</table>

Table 3: Discriminant Validity Using HTMT Ratio

<table>
<thead>
<tr>
<th></th>
<th>Assurance</th>
<th>CS</th>
<th>Empathy</th>
<th>Reliability</th>
<th>Responsiveness</th>
<th>Tangibles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assurance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS</td>
<td>0.446</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empathy</td>
<td>0.839</td>
<td>0.622</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reliability</td>
<td>0.887</td>
<td>0.351</td>
<td>0.721</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsiveness</td>
<td>0.688</td>
<td>0.632</td>
<td>0.828</td>
<td>0.631</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangibles</td>
<td>0.610</td>
<td>0.595</td>
<td>0.454</td>
<td>0.628</td>
<td>0.394</td>
<td></td>
</tr>
</tbody>
</table>

4.2 Structural Model

The structural model was tested using bootstrapping procedures with a resample of 10,000 (Andrews & Buchinsky, 2002; Streuksen, & Leroi-Werelds, 2016) to assess all the relationships between the constructs, its corresponding beta and t-values. The results are shown in Table 4.

Tangibles ($\beta = 0.401$, $t = 4.930$, $f^2 = 0.206$), empathy ($\beta = 0.270$, $t = 2.587$, $f^2 = 0.054$) and responsiveness ($\beta = 0.313$, $t = 2.924$, $f^2 = 0.079$) were found to have a positive relationship with customer satisfaction. However, reliability ($\beta = -0.211$, $t = 2.048$, $f^2 = 0.034$) and assurance ($\beta = -0.021$, $t = 0.162$, $f^2 = 0.000$) were found to have a negative relationship with customer satisfaction. The assurance, however, showed no significant relationship with customer satisfaction. This gives support for H1, H2, H4, and H5 except for H2. $R^2$ of 0.433 suggesting there is 43.3% of the variation in customer satisfaction was explained by the service quality.
Figure 1: Structural model

Table 4: Direct Effects

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Relationship</th>
<th>Std. Beta</th>
<th>Std. Error</th>
<th>t-value</th>
<th>Decision</th>
<th>R2</th>
<th>Q2</th>
<th>f2</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Tangibles -&gt; Satisfaction</td>
<td>0.401</td>
<td>0.081</td>
<td>4.930**</td>
<td>Supported</td>
<td>0.433</td>
<td>0.208</td>
<td>0.206</td>
<td>1.379</td>
</tr>
<tr>
<td>H2</td>
<td>Reliability -&gt; Satisfaction</td>
<td>-0.211</td>
<td>0.103</td>
<td>2.048*</td>
<td>Supported</td>
<td>0.034</td>
<td>0.289</td>
<td>2.289</td>
<td></td>
</tr>
<tr>
<td>H3</td>
<td>Assurance -&gt; Satisfaction</td>
<td>-0.021</td>
<td>0.128</td>
<td>0.162</td>
<td>Not Supported</td>
<td>0.000</td>
<td>2.224</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H4</td>
<td>Empathy -&gt; Satisfaction</td>
<td>0.270</td>
<td>0.104</td>
<td>2.587**</td>
<td>Supported</td>
<td>0.054</td>
<td>2.367</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H5</td>
<td>Responsiveness -&gt; Satisfaction</td>
<td>0.313</td>
<td>0.107</td>
<td>2.924**</td>
<td>Supported</td>
<td>0.079</td>
<td>2.178</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**p < 0.01, *p < 0.05

5. Discussion
The findings have supported the study of Hisham et al., (2016) which showed that tangibility, reliability, responsiveness, assurance and empathy dimensions were integrated into all three retail companies in the selected cities of India. However, the current results partially aligned with the study of Kundi et al., (2014) who found positive and significant relationships between all the service quality dimension and customer satisfaction, but the current study showed that the reliability and assurance having a negative relationship with customer satisfaction. The plausible reasons could be that the particular clothing brand still does not gain the full trust of their customers, wherein customers may have doubts on the reliability of the information and promises given by the clothing company which caused the two dimension having the negative results.

The current study was contrasted with Whingan and Ogundare’s (2018) findings who revealed that three (3) facets of service quality, namely, reliability, empathy, and assurance have a positive significant relationship with customer satisfaction. Furthermore, Ahmad et al., (2019) found that tangible, responsiveness and assurance have a significant positive impact on customer satisfaction. However, reliability and empathy have no significant impact on visitors’ satisfaction.

In addition, Omar et al., (2016) showed that tangibles, assurance and empathy have a significant positive relationship with customer satisfaction, but reliability and responsiveness were found insignificant in the restaurant. Based on the above discussion, it has shown that different customers perceived the service quality dimension differently across different industries and sectors.

The positive results of this study support the notion that customers of the particular clothing company are likely to satisfy with the services of the firms which have high quality product with reasonable price, nice ambience, and good environment, as it explained the tangibility of the services towards the satisfaction of the customer.
addition, the responsiveness of the current study showed that it is a highest predictor (31.3%). This have urged the management of the retail clothing to train their employees to know their product and services well, as the frontline employees are the brand of the company. Hence, it showed that the particular clothing brand employees are knowledgeable about their products and services, hence, they are responsive to the customers’ inquiry.

However, reliability and assurance found negative results which urged the management of the clothing company to have more reliable information about the products (material used, price, shipping fees) to be displayed on the social media like internet, Facebook, and Instagram, so that customers can have the direct access about the information online and the assurance can be gained and met.

In summary, the clothing company should focus on the identified facets of service quality as part of their marketing strategy to achieve profitability. This recommendation is made because service quality is vital in gaining competitive advantages among other rivals, which will have a significant impact in attracting prospective customers as well as retaining the current ones.

6. Conclusion
This research intends to investigate the relationships between the five (5) dimensions of the service quality and customer satisfaction of a retail clothing brand from the Malaysia consumers’ perspective which are tangibility, reliability, assurance, empathy, and responsiveness. The PLS SEM results revealed that three (3) dimensions of SERVQUAL contributed 43.3% towards the customer satisfaction in the Malaysian setting.

6.1 Implications
In terms of academic implications, this research contributed to the existing marketing literature empirically by proving the SERVQUAL model which developed by Parasuraman et al., (1988) is still applicable in the Malaysia retail setting. The study has widened the knowledge base regarding on the practicality and suitability of the SERVQUAL model in the retail clothing industry which operate under a multicultural market.

Since the determinants, namely tangibles, responsiveness, empathy, and reliability are found contribute significantly to customer satisfaction, the retail clothing company should pay more attention to these determinants. For instance, the management of the clothing company should advocate reliable and truthful information regards the product & services and the company philosophy. This will help gain stronger confidence and higher admiration among customers. Ultimately, the findings will inspire other clothing industry to re-evaluate the effectiveness of their business and marketing strategies to convey to the stakeholders, especially the customer in achieving stronger sustainability and survival.

6.2 Limitations & Suggestions for Future Study
The study possesses several limitations. Firstly, this study has used non-probability sampling technique (purposive sampling) which limit the generalizability of the results. Future studies are recommended to employ probability sampling techniques under similar context, so that there will be more generalizability of the data.

Secondly, this study only focused on the current customers as one of the stakeholder group. Future research should therefore include different combinations of stakeholder groups (such as employees, potential customer). It is also interesting to make comparisons between different brand of clothing companies or other service industries to add more perspectives into the marketing research.

Thirdly, there are other variables, which were currently not being investigated in this study, which can contribute 56.7 % of the variation in explaining the customer satisfaction. Hence, future studies can include some other outcome variables as suggested by literature such as trust, customer loyalty, word-of-mouth, and demographic variables to test the moderating and mediating effects of the model to enhance the field of service marketing.

References


Financial Determinants of Economic Growth of Pakistan: An Empirical Analysis

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The paper attempts to investigate the relationship between savings and Economic growth of Pakistan by using the time series data from 1972 to 2015. For empirical analysis, ordinary least square method is used. The analysis is made in two parts. In the first part: descriptive statistics and correlation matrix are described. In second part, multivariate analysis explains how saving of Pakistan is determined by economic growth. This study concludes that the employed labor force, gross fixed capital formation and exchange rate have positive and significant influence on real gross domestic product. Foreign direct investment and gross domestic savings have negative but insignificant impact on real gross domestic product. Keeping in view the role of savings and economic growth in Pakistan. It is recommended that government should provide enabling environment and fiscal incentives for enhancing the foreign direct investment. This will increase the gross domestic product in the country. For this purpose, the industrial and agricultural sectors of the country must be stable. Moreover, there is a need of creating an investment friendly business environment in Pakistan.
agriculture, transportation and communication and to build educational system. According to requirement of the people, when proper investment in health nutrition drinking water etc. health of the people improved and productivity also rise. A labor force means more efficient employees and overall population increase the potential size of domestic market. It depends on the capability of economic system to absorb and productively hire. These added employees ability in specially correlated with the rate and types of capital accumulation and the availability of associated elements which includes managerial and administrative abilities, with unchanged technology. The capacity of human and physical resources were to that enhanced the quality of the existing resources or investment in new resources. Technological means new techniques of production, the new technology consist of new knowledge and method which lead to the reduction in cost, better use of raw material and discovery of new resources, Firstly there was a time when old method of cultivation, old seeds were used in agriculture sector and as result per acre yield was very low but now due to moderns technologies like high yield seeds fertilizers tractors, threshers, harvesters, tube wells, insecticides and pesticides, per acre yield has increased. Modern technologies have created a green revolution in agriculture sector and eliminated the food shortage problem in the countries due to modern technology, cost of production decreases. Modern technology enables the firm to produce the goods at large scales and get external and internal economics of scale. Used to modern technology oil, gas, iron, gold, copper. Coal and silver had been explored and mixed the various input can make new commodities. So the modern technology brings improvement of quality of the products. Economic growth of any country may be observed by two factors; Economic and Non-Economic factors

Resources are un-utilized, under-utilized, and miss-utilized in the country. These resources are not properly utilized due to use of old techniques of production, the lack of capital, and small size of markets. In Pakistan cultivable land is being wasted due to limited irrigation facilities.

2. Review of the literature
A number of studies have been conducted related to savings and Economic development at national and international levels. In this section, we have reviewed few of them as follows.

In 2006, Hasnain and co-authors investigated the factors of saving on economic growth of Pakistan’s experience during the period 1972 to 2003. Authors used data collected by Economic survey of Pakistan, State Bank of Pakistan, and world growth series during the years 1980-2003. To assess the long-run and short-run relationships, they applied the error correction model and Johansen multiple co-integration to the data. The study located that interest rate and growth rate per capita income had been positive effecting. The old and young dependency ratios, and inflation rate had been negative influencing national saving in the long-run and short-run. By taking 5 percent adjustment annually, the model converged towards long-run equilibrium, as the error correction term was found to be 0.05.

In 2007, author Fasoranti for rural residents attempted to find the impact of rural saving mobilization on economic growth. From 5 villages of Nigeria, 100 respondents were studied by using questionnaire survey. Author made use of ordinary least square (OLS) technique. From the results it is found that investment, assets, and human capital were positive determinants to overall saving. He established that there is 98 percent of the variation in overall saving due to the determinants: investment, assets, and human capital. They recommended that to join co-operative societies, the rural dwellers should be appropriately trained.

In rural Vietnam, Newman et al. (2008) attempted to find the factors of household saving. From 12 provinces of Vietnam, 2324 households had been taken by Vietnam Access to resources household survey in 2006. The percent analysis was accomplished and they established that in rural Vietnam richer household had been more likely to save, negative effects of age of household head have been found, no education effects have been found, financial saving have been low, and share of formal saving have been relatively small. They recommended that Government should improve saving institutional framework.

In 2008, authors Sajid and sarfraz attempted to find the association among saving and economic development. Time series quarterly data was used by them from 1st region of 1973 to 4th region of 2003. The co-integration method and vector error correction method were used by them to observe causality between output and public saving. The result showed that there was long-run and short-run equilibrium association between different measures of saving and economic development.
Kazmi (1993) made attempts to investigate the effect of different macro-economic variables on public saving in India and Pakistan. They utilized the combined data obtained from India and Pakistan for the year 1960 to 1988. The OLS approach was employed to assess the saving model. They concluded that export, External Aid inflows, real interest rate, Government expenditure, growth rate of real GNP, inflation rate, and term of trade exerted positive impact of public saving rate.

In 1995, Azhar investigated to deal with several aspects of rural savings. The researcher gave some evidence from different nations. They observed that in Pakistan rural households saved without considering size in their landholding and saving performance of rural households had been healthier than the National Average.

Brata studied the saving behavior of rural industry households. The researcher performed questionnaire based survey from sub-district of Bantul and collected data from 93 respondents. Their work showed that education, household income, and type of industry had direct effect on household savings. The role of industry and square of age in income had statistically non-significant effect on household savings. They recommended that Government must enhance rural industries to high savings and provide credit for rural industries.

3. Data, Methodology, and Model
The issues regarding data sources, methodology of the work and model specification are explained in following sections.

3.1 Nature and sources of Data
This section explains the nature and sources of data utilized in this study. In this study, all variables follows a time series as data is collected for the time period 1972 to 2015. The annual data are collected from the hand book of statistic of Pakistan economy for the variables gross domestic savings, Exchange rate, foreign direct investment, gross fixed capital formation, and employed labor force. Some data is also acquired from the economic survey of Pakistan. The measurement unit of all variables in this study is in millions of rupees.

3.2 Methodological issues
The methodology investigates the savings and economic growth of Pakistan by performing a time series analysis. In econometric usually some methodological issue may present regarding the time series data. For example the issue of non-stationary time series, spurious correlation and regression. When issue of non-stationary exists or model fitted is spurious regression, then the results from OLS technique becomes inefficient. For the variables that are stationery at level I(0) or the Durban-Watson (DW) value is more than R2, then the OLS technique is beneficial and relevant. In this study, it is found that the variables fulfill the property of stationary at level I(0).

3.2.1 Ordinary Least Square Method
In 1974, Carl friend rich Gauss presented the technique of OLS. Under certain assumptions the least squares method has some important statistical properties which have made it one of the most popular and effective technique in regression analysis. The OLS technique is used to estimate the relationship of the variables. When all the variables in the study are all stationary at level I(0), then the mostly used technique is the OLS technique. In multivariate data analysis this techniques is also important. For this study, the multiple regression model takes the form as

$$ Y = \beta_1 + \beta_2 X_2 + \beta_3 X_3 + \cdots + \beta_n X_n + \mu $$

3.2.2 Model Specification
Model specification is depend upon multiple regression approach. the A log linear model is assumed as observed from the properties of the data,

$$ RGDP = a_0 + a_1 GFCF + a_2 GDS + a_3 FDI + a_4 EXR + a_5 ELF + \mu_i $$

3.2.2 Description of the variable
3.2.2.1 Real Gross Domestic Product
The GDP is a measure of income and output produced in an economy; in a specific period.

3.2.2.2 Gross Fixed Capital Formation
The GFCI can be predicted using three techniques;
3.2.2.3 Domestic savings Gross
National savings are the sum of private savings and public savings

Private savings
Private savings is the distinction of disposable income and consumption.

Public savings
Public financial savings is the difference among authorities’ revenue and government spending. The time period (T-G) is public savings. Public financial savings shown through the time period (Y-T-C)+(T-G)

3.2.2.4 Exchange Rate
The price of one U.S.A’s currency in term of another U.S.A’s currency is referred to exchange rate.

3.2.2.5 Labour Force Participation
The percentage of working-age population. Who are member of the labour participation.

4. Results and Discussions
The results from the analysis are done in two stages. In first level descriptive evaluation and empirical analysis is performed within 2d level.

4.1 Descriptive analysis
Descriptive evaluation provides the basic information and distributional characteristics of the data utilized in the study such as, average, variance or standard deviation, minimum and maximum value of the data. It describes the degree of relationship between the variables. In Table 1, the first column is for variable names, the second column is about average of the variable and the next column contains the values of maximum, minimum and standard deviations of the variables. The table represents pair wise correlations among variables of the study. The variables are positively correlated with each other.

Table 1: Descriptive Statistics of the variable (in millions of rupees)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Average</th>
<th>Max</th>
<th>Min</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>GFCF</td>
<td>26.23865</td>
<td>28.98464</td>
<td>22.6421</td>
<td>1.727009</td>
</tr>
<tr>
<td>GDS</td>
<td>25.81524</td>
<td>28.5638</td>
<td>22.30174</td>
<td>1.925151</td>
</tr>
<tr>
<td>FDI</td>
<td>19.46292</td>
<td>22.44425</td>
<td>15.2018</td>
<td>1.78363</td>
</tr>
<tr>
<td>EXR</td>
<td>3.390922</td>
<td>4.632486</td>
<td>2.161181</td>
<td>0.831734</td>
</tr>
<tr>
<td>ELF</td>
<td>3.518162</td>
<td>4.050393</td>
<td>2.956991</td>
<td>0.31902</td>
</tr>
</tbody>
</table>

Source: estimation using E-views statistical software

4.1.1 Correlation Matrix
The correlation matrix presents the strength of interdependence (degree of relationship) between variables. From the results of correlation matrix the presence of multicollinearity can be investigated. If the value of correlation between two regressors in absolute value is greater than 0.8, then there may be a severe issue of multicollinearity among variables.

Table 2: Correlation matrix

<table>
<thead>
<tr>
<th></th>
<th>LGDP</th>
<th>GFCF</th>
<th>GDS</th>
<th>FDI</th>
<th>EXR</th>
<th>ELF</th>
</tr>
</thead>
<tbody>
<tr>
<td>LGDP</td>
<td>1</td>
<td>0.998</td>
<td>0.985</td>
<td>0.923</td>
<td>0.987</td>
<td>0.991</td>
</tr>
<tr>
<td>GFCF</td>
<td>0.998</td>
<td>1</td>
<td>0.987</td>
<td>0.936</td>
<td>0.980</td>
<td>0.987</td>
</tr>
<tr>
<td>GDS</td>
<td>0.985</td>
<td>0.987</td>
<td>1</td>
<td>0.931</td>
<td>0.983</td>
<td>0.960</td>
</tr>
<tr>
<td>FDI</td>
<td>0.923</td>
<td>0.936</td>
<td>0.931</td>
<td>1</td>
<td>0.899</td>
<td>0.906</td>
</tr>
<tr>
<td>EXR</td>
<td>0.987</td>
<td>0.980</td>
<td>0.983</td>
<td>0.899</td>
<td>1</td>
<td>0.97</td>
</tr>
<tr>
<td>ELF</td>
<td>0.991</td>
<td>0.987</td>
<td>0.960</td>
<td>0.906</td>
<td>0.97</td>
<td>1</td>
</tr>
</tbody>
</table>

Correlation matrix:
Table 2 shows the values of Pearson’s correlation among variables. This table presents correlation in matrix form, the GFCF has a strong positive relation with GDP. The GDS is positively and highly correlated with GDP, highly collinear with GFCF. The FDI is correlated with GDP, GFCF and GDS. The EXR is highly correlated with RGDP, GFCF, GDS, and FDI. The ELF is also highly correlated with RGDP, GFCF, GDS, FDI and ER.

4.2 Multivariate Analysis
The estimates from OLS method regarding savings and economic growth are shown in Table 3. The first column investigate the variables which are abbreviated in the form of GFCF, GDS, FDI, EX, and ELF. Column 2 shows the estimates of co-efficient of the model. Column 3 report the standard error, for the reliability of regression coefficient values the t-test is used and are shown in 4th column. The values of t-test are used to determine whether the null hypothesis may or may not be rejected at chosen significance level.

Table: 3.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Co-efficient</th>
<th>Std. Error</th>
<th>T. Statistics</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>6.395414</td>
<td>0.569245</td>
<td>11.23491</td>
<td>0.0000</td>
</tr>
<tr>
<td>GFCF</td>
<td>0.652193</td>
<td>0.067662</td>
<td>9.639055</td>
<td>0.0000</td>
</tr>
<tr>
<td>GDS</td>
<td>-0.0118</td>
<td>0.043652</td>
<td>-0.27025</td>
<td>0.7885</td>
</tr>
<tr>
<td>FDI</td>
<td>-0.0255</td>
<td>0.014481</td>
<td>-1.76123</td>
<td>0.0865</td>
</tr>
<tr>
<td>EXR</td>
<td>0.410715</td>
<td>0.071503</td>
<td>5.74401</td>
<td>0.0000</td>
</tr>
<tr>
<td>ELF</td>
<td>1.128539</td>
<td>0.224135</td>
<td>5.035085</td>
<td></td>
</tr>
<tr>
<td>R. Square</td>
<td>0.99</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted R. Square</td>
<td>0.99</td>
<td></td>
<td></td>
<td>0.00000</td>
</tr>
</tbody>
</table>

The impact of GFCF on RDGP is found statistically significant and positive. The Capital formation performs a very vital role in the economic development. Capital formation has great reputation in labor surplus nations due to the fact in those nations there is high labor because of high population growth rate. The surplus labor may be transformed into human capital via skill growth and education. Resources may be converted into high productivity.

The coefficient of savings shows that GDS have statistically non-significant and negative impact on GDP in the short-run. The negative and lower value recommended that if everyone tries to save higher percentage of profit; it generates economic down turn since the savers will be power instead of becoming richer. This is because the economy will slow down from decrease in demand and due to that the same people will be cyclically unemployed. Therefore, increased savings represent a shrinking circular flow of income.

The value of regression coefficient for FDI is statistically non-significant and negative relationship. The FDI has negative effect on the development of the recipient economy if they provide boom to an enormous reverse flows inside the shape of remittances of profits, if sources are remitted through transfer pricing and dividends. FDI can lessen competition and development, if the government of host country affords greater safety and security to foreign investors to attract their capital. The dependency school theory asserts that foreign investment from developed countries is harmful to the long-term economic growth of developing countries. By extracting labor and other resources from the developing countries, it located that developed countries became rich. This sort of act reasons distortion delays growth and increase income inequality in poor countries. Diaz–Alejandro explained that foreign capital can decrease economic development by producing high profit in a country with trade distortions. In developing countries, Hien showed a non-significant effect of FDI inflows on economic development.

The coefficient of EXR is positive and significant effect on real gross domestic product. The EXR plays an vital role in the economic development. The association among the EXR and economic growth is virtually an important challenge, from each a normative and perspective viewpoint. Several developing countries that have implicitly and explicitly constant their ER to the forex of another united states and whose inflation costs are high than that of the foreign united states often experience persistent current account deficits and eventual devaluations of their currencies, devaluation everyday invitations a recession and inflation and pushes the economic system into an inflation devaluation spiral; inflicting a extreme setback in economic growth. Other developing countries grow
incredibly fast and often face the alternative stress on their currencies. A excessive economic growth rate is most possibly accompanied by a high investment and excessive high export improvement as a success exports yield current account surpluses, resulting in nominal appreciation stress on the currency except the central bank mediates within the foreign exchange market and accumulates foreign reserves.

The ELF is another vital element that is persuading savings instantaneously. In the present study, it is determined that ELF has positive and statistically non-significant impact on real GDP. It means that the cause of positive impact of ELF can be that extra savings are made due to higher return on growth, The employment opportunities are created and eventually the market is prolonged due to investment and employment multiplier. With the help of improved manpower the natural resources are used, as oil and gas are determined. The result for the sample demonstrates that the growth is positively correlated to employment level and have a statistically significant relationship because as employment level develops, more human beings get jobs and the poverty level diminishes which in turn raise the growth level.

5. Conclusion
This study observe and examine the economic growth and savings in Pakistan using the data for the year 1972 to 2015. The result from the analysis focus on the importance of savings in order to enrich growth. The study concluded that the real FGC, ELF, and ER have significant and positive influence on real GDP. FDI and GDS have significant negative impact on real GDP. It is therefore, recommended that Government should offer permitting environment and financial motivations. It will enhance GDP in the country. Therefore, agricultural and industrial sectors of the country must be established. In Pakistan there is a need of supplying an investment friendly business environment.

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Does Financial & Social Development are Important for Economic Growth? An International Scenario

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ARTICLE DETAILS

ABSTRACT

Financial and Social Development plays pivotal role in the economic growth of nations. Developed countries have strong financial and social infrastructure. This study focuses on the social and financial development in relation to economic growth of developed, developing and frontier economies. Gross Domestic product (GDP) per capita used as dependent variable. Domestic credit, market capitalization, turnover ratio, household consumption, foreign direct investment, capital formation, Co2 Emission and trade openness are used as independent variables, government expenditures on education and current health expenditures are use as social variables. Unemployment and inflation rate also use as control variables. Pooled OLS (ordinary least squares), fixed effects and random effects models are used to check the relationship among variables from 2001-2017. Results show positive and significant relation between Gross Domestic product (GDP) Domestic credit, education expenditures and health expenditures in case of developing countries. Market capitalization, turnover ratio, foreign direct investment, and trade openness have a positive but insignificant relationship. Co2 Emission, inflation and unemployment rate have negative and insignificant relation with GDP per capita. In advanced countries Inflation rate trade openness and FDI have positive and significant relation with GDP per capita. Domestic credit, market capitalization, turnover ratio, household final consumption and Co2 Emission have a negative relation with GDP per capita. Education and health also have a negative and insignificant relation with GDP per capita. In Frontier economies there is a positive and insignificant relation of market capitalization, FDI, Co2 Emission and health expenditures with GDP per capita. capital formation, turnover ratio, household consumption, trade openness has negative and significant relation with per capita.

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1. Introduction

The impact of financial and social progress on economic growth has been broadly researched globally. There are different expressions that addressed the economic growth factors. Financial development is important for economic development because it provides effective allocation of resources or funds (Afonso and Balance Arana 2018). Sustainable economic progress is of primary interest for every economy, mostly in developing nations. Because of insufficient domestic resources for developmental projects in developing nations the role of sustainable growth become more important for the economy. Developing countries heavily rely on foreign wealth or capital like FDI, interbank loans, and remittances. Dependence on higher external debt results in decline of the growth of the economy, which is also due to government debt Wang et al, (2019).

Halos & Trigoni (2010) examined the impact of financial growth on economic development of European countries and used variables GDP per capita, domestic credit, inflation rate and the deposit rate. Ridzuan et al, (2014) also used four variables and check the dynamic linkages between economic growth, GDP, household consumption, capital formation and government expenditure in Malaysia. Rashid et al, (2016) also used four variables to check the impact of the stock exchange on economic development. Afonso and Blanco-Arana (2018) investigated the impact of financial development variables on the economic growth of 30 OECD countries. The study period used for research was from 1990–2016, with statistical information on financial development variables, GDP per capita, and several control variables. The limitation of the earlier studies is that more variables should be incorporated in future research. This study includes more variables as suggested by various studies 09 FDV (Financial Development Variables) variables and 2 socioeconomic variables and some control variables. Previous studies did not use the social variable impact along with financial growth variables towards Economic development.

The main purpose of this study is to explore the relationship between financial and social progress on Economic growth, where, economic development is measured through the Gross Domestic Product. Financial factors include domestic credit, market capitalization, trade openness, turnover ratio, household consumption, foreign direct investment and capital formation, whereas, health expenditure and government expenditures on education are the measure of social factors. The overall study also observes the impact of some control variables including inflation rate and unemployment.

Therefore, this study delivers advantageous evidence for the impact of financial and social progress on economic development in developed, developing frontier and second emerging nations from the period of 2011 to 2017. In the research panel data set for 29 developed and developing countries is used, whereas previous studies, mostly addressed different OECD countries, developing countries are researched on a specific country.

2. Literature Review

Sokhanvar, (2019) examined the relationship of FDI and economic growth in Europe. The samples of seven European Union countries from the period of 1995 to 2014 were used for research and block exogeneity tests were applied. The results showed negative effect of foreign direct investment in nation’s economic development.

K. Nath (2005) examined the relationship between FDI, trade openness and development of the economy. Data of thirteen Transition Economies was used and fixed effect and random effect model were applied to analyze the data. There was no significant impact of foreign direct investment on economic development as per the results.

Rehman et al, (2019) examined the connection among macroeconomic variables and economic development of Pakistan. The research focused on long-run relation among variables and covered the time period from 1976 to 2016. ARDL model and bounds test were used to check long-run relation & short-run relation among FDI, inflation, trade rate, capital formation and labor force. The results showed that there was a negative and a considerable relation between Unemployment and growth of the economy of Pakistan at a level 1 % and 5%.

Rehman et al, (2019) examined the relation between macroeconomic variables and the growth of Pakistan’s economy. The time period included for this research was1976 to 2016 and ARDL model was used for analysis. A negative and significant effect of FDI was found on the growth of the economy of Pakistan.

Fashina et al, (2019) examined the connection between human capital, foreign aid and development of the Nigerian economy. VECM and Engle-Granger model were used for the purpose of analysis. Positive effects of foreign direct investment on education and economic growth of Nigeria was found.
Atul DAR (2019) investigated the output of trade openness on productivity and economic development. The sample includes 27 OECD countries and covered the time period from 2000 to 2015. RCGAM (random coefficient growth-accounting model) was applied, and result showed that there was a positive influence of trade openness on the economic development.

Junying Ma et al, (2019) investigated the impact of openness of trade and local economic development in China. The data of 30 provinces of China for time period from 2002 to 2008 was used. The result showed that trade openness was influenced by the growth of the economy.

P. PRADHAN et al, (2017) investigated the causal relationship between FDI, trade openness, stock market and growth of the economy. The VEC model and cointegration methods were used to check long-run equilibrium among variables. The samples of the 25 ARF (ASEAN regional forum) were used for and the data set covered 1961 to 2012. The result found that there was positive among trade openness and economic development.

Ali (2019) examined how FDI impact the economic development of Pakistan from 1975-2017. The variables used for research include Inflation, GDP and FDI, trade openness and capital formation. The research methods like ARDL model and Augmented Dickey Fuller test were applied. The result found that international trade has negative impact on the economic development of Pakistan.

Kriese et al, (2019) investigated the financial development and economic growth of the 102 countries. The Two-stage least squares regressions (2SLS) were used for the estimation. The results showed that there was no significant impact of trade openness on the economic development.

Narayan (2010) examined the relationship between the Co2 emission and the growth of the economy with the sample of 43 developing countries and found a negative relationship between them.

Similarly, Bashir M. (2019) explored the impact of Co2 emission, energy and economic development with the samples of 68 countries and concluded that CO2 emission decreases in MENA countries when economic growth increase. Acheampong, (2018) inspected the relationship among Co2, energy consumption and economic development and found positive impact of carbon emission on the growth of the economy in 116 countries.

Guru and Yadav (2018) examined the relationship between financial development variables and economic development in major five emerging economies BRICS (Brazil, Russia, India, China and South Africa with the sample from 1993 to 2014. They used stock market indicators and banking sector indicator and showed negative relationship on the economic development.

Ali (2019) examined how FDI impact the growth of the economy and worked on Pakistan with the sample period from 1975-2017. They used Inflation, GDP and FDI, trade openness and capital formation. They used ARDL model and found a negative impact of inflation on Pakistan’s economic growth.

Afono and Balanco., (2018) explored the relationship between financial growth and economic development. They especially focused on crisis period. They took samples of 30 OECD countries from the period of 1990 to 2016. They took unbalanced panel data and run regression analysis and random effect technique. They found that there was a negative association among inflation & GDP per capita.

Salian & Gopakumar (2011) examined the link among inflation & economic growth. They found negative relationship among variables. In the long run, their study also exposed the negative relationship between inflation and GDP.

Mbulawa (2015) examined the effects of macroeconomic indicators on the growth of the economy of Botswana and also check causal relationship among macroeconomic factors and economic growth. He used annual data and covered the time period from 1975 to 2012 and found positive impact of inflation on the economic development of Botswana.
Agalega and Anwati, (2013) observed the effect of interest & inflation rates on gross domestic product (GDP) of Ghana and found a positive relation among inflation rate and GDP, that indicates when inflation rise GDP also rises.

Kenny S (2019) examined the causal relationship among unemployment rate and growth of the economy. They took samples from Nigeria and covered the time period from 1981 to 2016. They found that economic growth was affected by unemployment rate.

Afono and Balanco, (2018) explored the relationship between financial growth and economic development, and they especially focused on crisis period. They took samples of 30 OECD countries from the period of 1990 to 2016. They found negative impact of unemployment on GDP and GDP uses as measure economic growth.

3. Research Methodology
This section includes the population of the study, sample size, variables description, data collection, measurement of variables, econometric model, and data analysis models.

3.1 Measurement of Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Acronym</th>
<th>Measurement</th>
<th>Reference</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross domestic product</td>
<td>GDP</td>
<td>Per capita</td>
<td>Afonso &amp; Balanco Arana</td>
<td>2018</td>
</tr>
<tr>
<td>Financial Development Variables (FDV)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic credit provided by the financial sector</td>
<td>Domestic credit</td>
<td>% of GDP</td>
<td>Afonso &amp; Balanco Arana</td>
<td>2018</td>
</tr>
<tr>
<td>Market Capitalization of listed domestic companies</td>
<td>Market Capitalization</td>
<td>% of GDP</td>
<td>1-Rashid et al</td>
<td>2016 , 2018</td>
</tr>
<tr>
<td>The stock traded, turnover ratio of domestic shares</td>
<td>Turnover ratio</td>
<td>Ratio of domestic shares</td>
<td>Afonso &amp; Balanco Arana</td>
<td>2018</td>
</tr>
<tr>
<td>Household final consumption</td>
<td>Household consumption</td>
<td>% of GDP</td>
<td>Ridzuan et al,</td>
<td>2014</td>
</tr>
<tr>
<td>Foreign direct investment, net inflows</td>
<td>FDI</td>
<td>Net inflows</td>
<td>Afonso &amp; Balanco Arana</td>
<td>2018</td>
</tr>
<tr>
<td>Capital Formation</td>
<td>Capital formation</td>
<td>% of GDP</td>
<td>Ridzuan et al,</td>
<td>2014</td>
</tr>
<tr>
<td>Trade Openness</td>
<td>Trade Openness</td>
<td>% of GDP</td>
<td>Onafowora &amp; Owoye</td>
<td>2019</td>
</tr>
<tr>
<td>Socioeconomic Variables</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current health expenditure (% of GDP)</td>
<td>Health</td>
<td>% of GDP</td>
<td>Zhaohua Wang et al</td>
<td>2019</td>
</tr>
<tr>
<td>Govt. Expenditure on education, total (% of Govt. Expenditure)</td>
<td>Education % of Govt. Expenditure</td>
<td>Afonso &amp; Balanco Arana</td>
<td>2018</td>
<td></td>
</tr>
<tr>
<td>Control Variables</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inflation rate</td>
<td>Inflation rate</td>
<td>%</td>
<td>Afonso &amp; Balanco Arana</td>
<td>2018</td>
</tr>
<tr>
<td>Unemployment, total (%of total labor force) (national estate)</td>
<td>Unemployment rate</td>
<td>% of total labor force</td>
<td>Afonso and Balanco Arana</td>
<td>2018</td>
</tr>
</tbody>
</table>

The sample selection is based on the availability of data for all variables. The population of the study is based on a FTSE country classification which is following:

| Developed Countries | 17 |
3.2 Model Specifications
This study used two models. First model shows impact of financial development variables on the economic growth, and the second model’s focus is to find out impact of socioeconomic variables on economic growth. Proposed models are given below:

\[ y_{it} = \beta_0 + \beta_1 FDV_{it} + \gamma X_{it} + \kappa_i + \epsilon_{it} \]  
[1]

\[ y_{it} = \beta_0 + \beta_1 SOC_{it} + \gamma X_{it} + \kappa_i + \epsilon_{it} \]  
[2]

Where \( y_{it} \) is the GDP per capita, \( y_{it} \) denotes the initial value of GDP per capita, \( FDV_{it} \) it refers to financial development variables, \( X_{it} \) other control variables and \( \kappa_i \) is intercept for each country, and \( \epsilon_{it} \) is the individual level residuals.

WDI (world bank development, database) and IFS (international financial statistics) databases are sued for data collection and to build a panel set for the period from 2001 to 2017.

4. Results & Discussion
Table 2 shows that in developed countries financial development variables, domestic credit has positive coefficient and significant relation with the GDP per capita while the household final consumption, co2 emission unemployment rate, inflation rate, capital formation has negative and significant relationship. Only the trade openness, market capitalization, foreign direct investment and turnover ratio has positive but insignificant relationship with gross domestic product. In advanced emerging countries we run simple regression, DC represents the results that domestic credit has negative and significant impact on GDP. Capital formation and inflation rate has positive and significant with economic growth. There is positive and significant relationship among economic growth and trade openness. There is negative and significant relationship among market capitalization and GDP. Trade openness and household consumption have insignificant negative relation with GDP per capita. Co2 has negative and significant impact on GDP per capita. Unemployment rate has negative and insignificant relation with GDP per capita.

In Frontier Economies Domestic credit and market capitalization has insignificant and positive relation with GDP per capita. There is a negative and significant relationship of turnover ratio and household final consumption among GDP per capita. FDI has positive and insignificant relation with GDP. Capital formation and trade openness have negative and significant relation with GDP per capita.C02 has positive and insignificant relation with GDP per capita. Inflation is negatively correlated and have insignificant impact on economic growth. Unemployment is negatively correlated and have insignificant impact on economic growth.

About socio-economic variables in developed countries there is positive and significant impact of education expenditures and health expenditures on GDP. In the regression model, random effect model shows that, all variables represent the positive association with gross domestic per capita and significant relationship. The fixed effect results show’s that the education and household final consumption, has positive coefficient and significant relation with the GDP.
In advanced emerging countries government spending on education have positive and statistically significant relation with GDP per capita. When government spend more on education that enhance economic growth. On the other hand, Govt. expenditures on education are also has statistically positive and significant relation with economic growth and also increase in GDP per capita. The results indicate that education and health expenditures enhance the economic growth of developing countries.

In frontier economies Government spending on education have positive but statistically insignificant relation with GDP per capita. When government spend more on education that increase economic growth. On the other hand, Govt. expenditures on education are also has statistically positive but insignificant relation with economic growth and also increase in GDP per capita. The results indicate that education and health expenditures have insignificant impact on the growth of frontier economies.

5. Conclusion

Based on research results it is concluded that in developing countries, positive and significant relationship exist between Gross Domestic product (GDP), Domestic credit, education expenditures and health expenditures. Market capitalization, turnover ratio, Foreign direct investment, and trade openness have positive but insignificant relationship. Co2 Emission, inflation and unemployment rate have negative and insignificant relation with GDP per capita. In advanced countries Inflation rate trade openness and FDI have positive and significant relation with GDP per capita. Domestic credit, market capitalization, turnover ratio, household final consumption and Co2 Emission have a negative relation with GDP per capita. Education and health also have a negative and insignificant relation with GDP per capita. In Frontier economies there is a positive and insignificant relation of market capitalization, FDI, Co2 Emission and health expenditures with GDP per capita. Capital formation, turnover ratio, household consumption, trade openness has negative and significant relation with per capita. Education expenditures have positive and significant relation with GDP per capita. Co2 have positive but insignificant relation. Inflation and unemployment rate have negative but insignificant relation with GDP per capita. The limitation of the study includes the scarcity of the data especially second emerging countries. Further studies should include the economic variables like poverty level per capita, gross national income and gross national product in order to expand the research.
References
## Appendix

### Table 1

**Descriptive Statistics**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Developed Countries</th>
<th>Advanced Emerging Countries</th>
<th>Frontier Economies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>MEAN</strong></td>
<td><strong>STD. DEV.</strong></td>
<td><strong>MIN</strong></td>
</tr>
<tr>
<td>LNGDP</td>
<td>10.5776</td>
<td>0.368831</td>
<td>9.61</td>
</tr>
<tr>
<td>DC</td>
<td>142.2937</td>
<td>43.0619</td>
<td>83.699</td>
</tr>
<tr>
<td>MC</td>
<td>71.1959</td>
<td>40.79759</td>
<td>27.904</td>
</tr>
<tr>
<td>JR</td>
<td>85.5083</td>
<td>36.83815</td>
<td>13.621</td>
</tr>
<tr>
<td>HFC</td>
<td>53.62027</td>
<td>7.257043</td>
<td>31.456</td>
</tr>
<tr>
<td>FDI</td>
<td>5.622086</td>
<td>6.603773</td>
<td>0.149</td>
</tr>
<tr>
<td>TO</td>
<td>88.02391</td>
<td>40.80935</td>
<td>42.108</td>
</tr>
<tr>
<td>CO2</td>
<td>7.177071</td>
<td>4.204052</td>
<td>0</td>
</tr>
<tr>
<td>UR</td>
<td>7.237259</td>
<td>4.179153</td>
<td>1.69</td>
</tr>
</tbody>
</table>
Political Stability and the Resolve to Save: The Case of Pakistan

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ARTICLE DETAILS

ABSTRACT

Savings is potential solution to consume the scarce resources in an efficient way, which helps large scale production, improved productivity of the labor and result in increased economic development. The purpose of this study is to examine how macroeconomic indicators like GDP growth rate, income, inflation rate and interest rate affect gross national savings rate of Pakistan and how political stability influence the relationship between these four macroeconomic indicators and savings rate. Using 10 years macroeconomic data of Pakistan from year 2006-2015, multiple regression analysis technique was run and it was found that all four macroeconomic indicators significantly affects the savings rate. Income appeared to be strongest predictor in causing an increase in the savings rate. Although GDP found to be have an inverse relationship with savings rate. Political stability appeared to be non-significant in influencing the relationship between macroeconomic factors and savings rate.

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Keywords: Savings Rate, GDP Growth Rate, Income, Interest Rate, Inflation Rate, Political Stability

JEL Classification: O16, O47, O49

1. Introduction

Savings is excess of the income over consumption that is not spent immediately and reserved for the future use. Saving is calculated as the difference between disposable income and consumption (Finlay & Price, 2014). Savings in its simplest form can be in cash or other bank deposits but in the broader form savings can be value of all assets held, including financial assets, inventories, land, land assets, livestock and equipment.

The capacity of an economy to produce is dependent on the gross national income of the country in the long run. Experiences around the globe indicate that countries having high rate of savings, grow more rapidly than low rate of savings and high level of domestic savings are necessary for the fast growth of the capital formation. At macroeconomic level it helps in capital formation and offer leverage for the development of economy and self-sufficiency. Savings are not only important for the economy but they also provide safety cushion to the individuals in case of emergency and make them financially safe and secure.
Considering the importance of savings at microeconomic and macroeconomic level, determinants or factors affecting the savings rate are considered an important subject of examination. Literature presents many variables which influence savings or are influenced by savings or both. Ando & Modigliani (1963) provided this Life Cycle Hypothesis (LCH) theory which is based on individuals’ household behavior in their different stages of life. From micro level to macro level variables were studied to investigate how those variables impact savings rate of a country.

Major macroeconomic indicators like income, inflation rate, exchange rate, GDP growth and interest rate had positive association with savings in the previous studies of (Bekoe & Adom, 2013; Duran, Uzgur Duran, Akay, & Boran, 2017; Niculescu-Aron & Mihaescu, 2014; Uremadu, 2009; Verter & Osakwe, 2014). Recent focus of the studies has turned towards the evaluation of behavioral finance. How human psychology and economic theories together influence the decision of individuals or households savings (Farrell, Fry, & Risse, 2016; Kapounek, Korab, & Deltuvaite, 2016). It was also revealed in the study that political stability had an impact on savings directly (Gyimah-Brempong & Traynor, 1996; Radu, 2015).

Saving behavior is a complex phenomenon of the economic agents. There are several determinants which explain the change in this phenomenon. Macroeconomic indicators like income level, interest rate, GDP growth rate and inflation rate have the major influence on savings.

In literature there is common agreement that people with high income level has more propensity to save as compared to people with low level of income. Inflation also causes surge and drop in savings. Rate of interest has the most effect on savings. Different monetary policies change interest rate in a different manner which further has significant impact on savings. GDP growth rate and savings are also closely related to each other. When GDP is increased disposable income is also increased so people have more to save. Besides macroeconomic agents country’s political stability also encourage or discourage the savings done by the general public or households. The more regular the run of the political exchange the more stable it is. 1As Pakistan has gone through lots of changing political regimes since 1947 and that seems to become part of Pakistani history. The role of strong military base and Pak armed forces cannot be ignored in shaping economic outlook of Pakistan. Political instability and uncertainty are anathema to a market-based economy, to fix this problem something had to be done. Strengthening the military was the solution, which even today remains professionally the best institute in the country. 2

The objective of the study is to understand how rate of savings is influenced in Pakistan by the macroeconomic factors. The study also aims to investigate to determine whether the political stability has any impact on the relationship between macroeconomic indicators and savings rate of the Pakistan. The remaining article is organized in four sections, section 2 deals with literature review and provides detail of previous studies on different variables adopted in this article, section 3 discusses the methodology, section 4 present results discussion and last section 5 concludes.

2. Literature Review
Business and household savings assist in providing capital for high level of investment which is then used for investing in factories and machineries that nurture economic development. Even different countries use different definitions of the savings. Savings is a flow concept and is measured as residual, stating the

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1 The collapse of the government either because of the clash and rambling competition among political parties leads towards the instability of the political environment, see (Ake, 1975).

2 It believed that to bring the reforms to spur the economic development, military had the best interest of the country and knew exactly how to bring those reforms. The removal of the preceding elected government by the military dictator was on the pretext that the elected governments were damaging the economy (Husain, 2010).
some measures of income minus some measures of consumption as defined by (Statistics New Zealand, 2007). These measures of both income and consumption are defined quite specifically in the national accounts.

2.1 Does Saving Always Bring Economic Growth?
Even though the importance of savings for economic growth cannot be ignored but at the same time it cannot be overwhelmed. There is circular flow of the money in the economic activity; earnings of the single individual come from the spending of another individual and vice versa. 3 Countries with access to international capital markets cannot grow rapidly merely by saving more. Because the investment can be financed through foreign savings therefore saving is not an important ingredient in the development of the economy. 4 Consumption and spending are the drivers of the economic growth. Keynes (1963) in his book “The General Theory of Employment, Interest and Money” popularized this theorem of the “Paradox of Thrift” stated that during economic recessions individuals try to save more which eventually make aggregate demand to fall and hence economic growth. Such state is detrimental as investment generates lower return than normal.

2.2 Income and Savings
In theoretical and empirical literature income growth rate and saving rate has received much attention. Loayza, Schmidt-Hebbel, and Servén (2000) conducted study by taking huge data of 150 countries from the period of 1965-1994. The finding showed that real per capita private disposable income is positively associated with private savings rate. As private agents’ income increases and they become richer rate of their savings also increase. The statistical results showed that 10% increase in income, raises the private savings by 0.47%. However, Carroll and Weil (1994) argued that impact on increase in income level could be negative. They said that other things being equal, forward looking consumers consider them wealthy when there is exogenous increase in growth and those consumers increase their consumption level and save less.

2.3 Interest Rate and Savings
An interest rate is the cost of borrowing money. It is typically expressed in terms of percentage of the principal. For the economy, the interest rate of a country is very important. Different studies were conducted to examine the relationship between real interest rate and savings and found positive correlation. Chen (2002) examined the causal relationship between interest rate, income and savings in the Chinese economy. For empirical testing, cointegration test and Bayesian vector auto regression (BVAR) test were used and period of 1952-1999 were included. Test of cointegration revealed that, there exists stable long run relationship between interest rate, income and savings.

2.3.1 Financial Liberalization
McKinnon (1973) and Shaw (1973) argued that financial liberalization is an important ingredient in generation of high savings and investment. Liberalization policies did not allow mechanism on interest rates. Against the low interest policy McKinnon and Shaw offered a strong case supported by neoclassical and Keynesian paradigms. According to this framework interest rate, savings, investment and economic growth are positively interlinked with each other. They opposed the ceiling on interest rates.

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3 So if one individual is unsure of the future would spend less and start hoarding money and in return make situation worse for the other individual who will also cut his spending. It will stop the economic activity and ultimately economic growth (Shostak, 2001).

4 It was argued by Aghion, Comin, Howitt, and Tecu (2009) that in the developing countries adopting advance technologies through domestic savings is very critical. Frontier technologies are readily adopted by the advance countries but developing countries cannot adopt such frontier technologies with help of outside.
They debated that financial repression impedes the economic growth. However, interest rate is not always positively affecting the savings rate.5

2.4 Inflation and Savings
Inflation is considered a general enlargement in the price level. In its pessimistic view, increase in inflation increases the opportunity cost of the holding money and being unsure of the future prices it also dampen the investment and savings. Another pitfall of the rapid inflation is the shortage of the goods as consumers start hoarding the goods out of a concern that in future prices will rise (Baloch, 2017). There is also bright side of inflation, as everyone knows money loses its value, a penny worth today will worth less in the future; so inflation gives the incentive of spending and investment.

2.4.1 Money Illusion Effect
The money illusion effect is a phenomenon in which people confuse the currency in its nominal terms with real terms. This money illusion effect was presented by Fisher (1928) in his book, “The Money Illusion”. With this illusion people ignore the inflation which is taken into consideration by the real prices and income; rather people see money with nominal prices. The purchasing power of the nominal currency is overestimated and consumer decides to increase their real consumption level eventually decreasing the savings.

Miao and Xie (2013) studied how money illusion influences the inflation and long run economic growth. They found that consumption or savings are distorted by the money illusion effect as it effects an agent’s observation of the growth and riskiness of real wealth. Long run growth is influenced by this illusion. They further showed that welfare cost of money illusion is insignificant but even with the small degree of money illusion; its impact on long run growth is fairly noticeable.

2.5 GDP and Savings
To gauge the health of an economy GDP (Gross Domestic Product) is often used. GDP represents the total value of all the goods and services produced in a country. Najarzadeh, Reed and Tasan (2014) assessed the relationship between savings and GDP. GDP was separated between total GDP and non-oil GDP as Iran is very interest in boosting non-oil sectors of the economy. Period of 1971 to 2009 was taken and an Auto Regressive Distributed Lag Model was used for analysis for causal relationship. The results found positive long run and two way relationship between savings and both types of economic growths (total GDP and non-oil GDP).

According to Sajid and Sarfaraz (2008) relationship between savings and economic growth is not only an important but also a controversial issue. This phenomena is analyzed a cause and effect relationship by many economists. Some economists are in favor of Keynesian theory that savings depend upon the level of output while others believe that savings cause growth. So they carried the study in Pakistan for the period of 1973/1 to 2003/4 to investigate the causal relationship between savings and output using cointegration and vector error correction techniques. Results proposed bi-directional relationship between savings and output level. However results showed unidirectional long run causation from public savings to output (GNP and GDP) and private savings to gross national product (GNP). Overall results supported the point of view that savings cause GDP growth.

2.6 Political Stability and Savings
In the earlier studies political stability or instability was studied as dependent variable and focus was to determine the causes of political unrest (Alesina & Perotti, 1996; Davies, 1969). Later studies took political stability as an independent variable and studied how political instability effects the

---

5 In their study increase in interest rate, make savings lower and exert negative impact. The test results showed that 1% increase in interest rate decreases household savings by 0.07%, see (Samantaraya & Patra, 2014).
macroeconomic growth of a country. Aaberge, Liu and Zhu (2016) analyzed the relationship between political uncertainty and household savings of China. They studied the household savings and expenditure adjustment to the political shock that occurred in 1989 Beijing, China. Their finding revealed that during political uncertainty there was significant temporary increase in the savings of the urban households of the China. The findings of another research conducted in Bangladesh concluded that political stability has positive effect in the short run but in the long run political stability has negative effect on the economic performance (Ahmed & Pulok, 2013).

2.6.1 Mancur Olsen’s Theory of Political Stability and Growth
Mancur Olsen was an American Economist and Social Scientist in his book “The Rise and Decline of Nations: Economic Growth, Stagflation, and Social Rigidities” (1982) challenged the mainstream view by explicitly treating political stability as an independent variable. He claimed in his book that destabilizing and uncertain events observably interrupt economic activities in the short term but he argued that in medium term these events set stage for the rapid economic growth (Olson, 1982).

3. Methodology and Conceptual Framework
Based on the ontology of this study it was decided to adopt objective approach as it is more related to quantitative data required for this research. Secondary data is used for this research and collected from multiple secondary sources of internet like databases of World Bank, trading economics, Pakistan Bureau Statistics, reports of the Economic survey of Pakistan and the global economy for different indexes. Sample size chosen for this study is 10 years’ time series data from year 2006-2015 of major macroeconomic indicators of Pakistan. Reason behind choosing 10 years sampling frame for this study is that, before 2008 Pakistan had long era of military era of General Pervez Musharraf that cannot be considered as political era. From year 1999-2007, almost 8 years are counted in his era. Therefore, the study chose sampling frame of 10 years, so it would not lose the information. There are four independent variables in this article, income, GDP growth rate, inflation rate, interest rate, one dependent variable savings and one moderating variable that is political stability. IBM SPSS (Statistical Package for the Social Sciences) is used in analysis of the data.

Different proxies have been used for the variables to measure their relationships. Their proxies and descriptions of the variables are given in the Table 1 below.

Table 1: Variable Description

<table>
<thead>
<tr>
<th>Variable</th>
<th>Title</th>
<th>Operationalization</th>
</tr>
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<tbody>
<tr>
<td>Savings</td>
<td>SAV</td>
<td>Gross National Savings (% of GDP)</td>
</tr>
<tr>
<td>GDP</td>
<td>GDP</td>
<td>Real GDP Growth Rate</td>
</tr>
<tr>
<td>Income</td>
<td>IN</td>
<td>GNI per capita Growth (%)</td>
</tr>
<tr>
<td>Inflation</td>
<td>INF</td>
<td>MOM (Month-on-Month) Inflation</td>
</tr>
<tr>
<td>Interest</td>
<td>INT</td>
<td>Real Interest Rate</td>
</tr>
<tr>
<td>Political Stability</td>
<td>PS</td>
<td>Vector6</td>
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</tbody>
</table>

Proxy of political stability was used after developing political stability vector in SPSS software by composing five different governance indicators that produced the results for new variable by creating mean sub so called vector. The five governance indicators that used to make vector are political stability index, government effectiveness, political rights, rule of law and civil liberties. Development of the vector is the unique contribution towards this study, as it provides more insight about the worldwide governance indicators. These indexes are available at theglobaleconomy.com.
3.1 Hypothesis Development

Based upon objective of the study both null and alternative hypothesis are developed.

H01: There does not exist a significant relationship between GDP growth rate and savings rate.
H02: There does not exist a significant relationship between income and savings rate.
H03: There does not exist a significant relationship between inflation rate and savings rate.
H04: There does not exist a significant relationship between interest rate and savings rate.
H05: Political stability does not significantly affect the relationship between macroeconomic indicators and savings rate.

3.3 Conceptual Framework

Figure 1 provides the semantic view of different variables and their relationship with each other.

4. Results and Discussion

Reliability test is run to ensure that data is consistent. Value of Cronbach’ Alpha appeared to be 0.68, so it is concluded that data is also nearly reliable. 7

Table 2 presents result of correlation analysis. Pearson Correlation was run to check the strength of relationship between variables. In this case, results suggest that except inflation all other independent variables show positive relationship with dependent variable savings. There is negative relationship between inflation and savings that means when inflation increases savings decrease. There is moderate relationship between two -.562. Strongest relationship is between interest rate and savings with Pearson correlation of 0.894. Relationship is also positive that means with the increase in interest rate savings also increase. Moderating variable political stability is showing the weakest relationship with savings as value of Pearson correlation is only 0.179, although the relationship is positive.

Table 2 Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>GDP</th>
<th>INC</th>
<th>INF</th>
<th>INT</th>
<th>PS</th>
<th>SAV</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7 The value of Cronbach’s Alpha comes to 0.68 that is little smaller than the standard value 0.70 proposed by (Nunnally, 1978).
Table 3A and 3B presents results of regression analysis. While applying this test multiple regression analysis, it is run two times, first without moderating variable and second time with moderating variable to check the significance impact on the relationship between IVs and DV.

Table 3A of regression coefficients shows the sig values for predictor variables. So, we will check it we fail to reject or reject null hypothesis. All sig values are less than 0.05, it means we reject the null hypothesis and accept alternate hypothesis as developed in section 3 of methodology.

Table: 3 A Regression Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>21.528</td>
<td>.753</td>
<td>28.582</td>
</tr>
<tr>
<td>GDP</td>
<td>-1.837</td>
<td>.582</td>
<td>-1.595</td>
<td>-3.157</td>
</tr>
<tr>
<td>INC</td>
<td>2.607</td>
<td>.869</td>
<td>1.815</td>
<td>3.001</td>
</tr>
<tr>
<td>INF</td>
<td>.822</td>
<td>.291</td>
<td>.466</td>
<td>2.825</td>
</tr>
<tr>
<td>INT</td>
<td>.478</td>
<td>.134</td>
<td>.913</td>
<td>3.558</td>
</tr>
</tbody>
</table>

a. Dependent Variable: SAV

---

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

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

Four alternate hypotheses, H1, H2, H3 and H4 are accepted, which means, there is significant relationship between GDP and savings, income and savings, interest rate and savings and inflation and savings.
Regression Equation

\[ SAV = 21.528 - 1.837(GDP) + 2.607(INC) + .822(INF) + .478(INT) \]  
Eq.1A9

The value of R² in Table 3B is .957, exhibits that 95.7% of the variation in savings rate is explained by predictor variables these are income, GDP growth rate, interest rate and inflation rate. R2 is very high which depicts good predictive capacity of the model by explaining such huge variation in the savings rate. One of the reasons for R2 being as high as 95.7% is attributed to presence of time series data. Secondly, both response and predictor variable have a significant relationship. All the variables are showing significant relationship with response variable because their sig values are less than 0.05 as shown in Table 3A. That’s why R2 is very high.

Table 3B Regression Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>R</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.979a</td>
<td>.957</td>
<td>.923</td>
<td>.47421</td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), INT, GDP, INF, INC

Now regression analysis is run again, this time with moderating variable political stability, to check the effect of moderation between IVs and DVs. Results are again presented in two different tables of regression in 4A and 4B.

Results in table 4A shows sig value for political stability is .487 that is greater than criterion value 0.05. So, we fail to reject H05 as F (4, 5) = 20.765, p >0.05. So, it is concluded that political stability does not significantly affects the relationship between four macroeconomic indicators and savings rate.

Table 4A Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>21.048</td>
<td>1.007</td>
<td></td>
<td>20.906</td>
</tr>
<tr>
<td>GDP</td>
<td>-1.968</td>
<td>.631</td>
<td>-1.709</td>
<td>-3.117</td>
</tr>
<tr>
<td>INC</td>
<td>2.578</td>
<td>.908</td>
<td>1.795</td>
<td>2.839</td>
</tr>
<tr>
<td>INF</td>
<td>.863</td>
<td>.309</td>
<td>.489</td>
<td>2.797</td>
</tr>
<tr>
<td>INT</td>
<td>.524</td>
<td>.153</td>
<td>1.001</td>
<td>3.432</td>
</tr>
<tr>
<td>PS</td>
<td>.897</td>
<td>1.173</td>
<td>.122</td>
<td>.764</td>
</tr>
</tbody>
</table>

a. Dependent Variable: SAV

Regression Equation

\[ In regression equation GDP growth rate has negative unstandardized \beta, it means any change in the GDP growth rate will cause a decrease in savings rate while other three variables have positive value of \beta any change in interest rate, income and inflation will cause an increase in the savings rate of Pakistan. Income appeared to be the strongest predictor as the value of \beta is highest among all predictors. Change in income will cause the highest increase in savings rate as compared to other predictors. \]
SAV = 21.048 – 1.968(GDP) + 2.578(INC) + .863(INF) + .524(INT) + .897(PS)  \hspace{1cm} \text{Eq. 1B}

Table 4B shows the value of adjusted R2 has decreased from 0.923 to 0.917.10 When a useful variable is added, value of adjusted R2 is increased but in this case value has decreased that means moderator variable political stability is not a good variable to explain the variation in criterion variable savings.

Table 4B Model Summary of Regression

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.981a</td>
<td>.963</td>
<td>.917</td>
<td>.49526</td>
</tr>
</tbody>
</table>

Predictors: (Constant), PS, INF, INC, INT, GDP

5. Conclusion

The above findings and discussion concludes that macroeconomic indicators have significant relationship with the savings rate of Pakistan. Whenever inflation rate, income and interest rate will change, rate of savings will increase. But the when the GDP growth rate will change, savings rate will decrease because GDP growth meant to be heavy investment and more spending as the economy used to be growing up gradually. Eventually savings will decrease.

Results for political stability as a moderator are slightly different than what the literature suggests. Studies in the literature suggest that there is significant and negative relationship between political stability and the rate of savings. Political stability has always been an issue since the independence of the Pakistan. The reason behind these results could be the impact of strong role played by the military of Pakistan. Pakistan became more stable economically because of success in reducing terrorism. Strong military operation like operation Zarb e Azb curtailed terrorism to a great extent and there was a notable decline in terrorists attack in 2015. Although the political situation remained almost same, still the economy started to pick up pace. The most significant development in year 2015 was the establishment of CPEC (China-Pakistan Economic Corridor). During the visit of Chinese President Xi Jinping to Pakistan, US $46 billion were allocated for the construction of the CPEC, which analysts argue that could be a game changer not only for Pakistan but also for the entire region. Therefore, political scenario is progressively turning out as more stable than before. This could be the reason that political stability may not have a direct influence on the savings rate of Pakistan.

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References


\(10\) When new variable is added in the regression model, value of adjusted R square is interpreted instead of R square.
Determinants on Household Saving Rate in the Former Socialist Countries (Central and Eastern Europe). Procedia Economics and Finance, 10(0), 104–113. https://doi.org/http://dx.doi.org/10.1016/S2212-5671(14)00283-4


Effects of Patriotic Movies on Public Behavior in Pakistan: A Survey Study of Lahore City

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ARTICLE DETAILS

ABSTRACT

Film offers different trends, ideas and traditions. Overall, a film has great impact on public minds and can change their behavior towards a specific issue. Film has the power to create and shape ideas, customs, and styles of viewers on a range of various subjects. Accordingly, the contents presented in films including good audio-visual elements can instill better influence on different communities across the globe. Thus, film can form and reform opinion of its publics. The basic objective of the study underhand is to observe the dominant belief among educated audience towards patriotism as learnt from patriotic films. The quantitative methodology was employed for this study and survey was used as a research technique. The Provincial Capital City of Lahore was selected as population of study with four leading universities of the City as Sample. Around 400 respondents both male and female students were selected based on convenient sampling and descriptive statistical analysis was made through SPSS for inferences. It was hypothesized that the views of the audience determine their feelings after watching patriotic films i.e., they are filled with pride, happiness, emotions, motivation and sensitive. The study further aimed to explain the phenomenal change in the behavior of the audiences of patriotic movies. The study explored that the audiences liked various elements presented in movies including music, songs, actions, direction, characterization, dialogue delivery of patriotic orientation etc. The findings of the study further explored that patriotic Urdu movies in Pakistan have a constructive and everlasting influence on viewers e.g., the audience feel entertained and motivated after watching such genre of movies. Most of the respondents believed the patriotic movies which have strong script, dialogues and direction attract the audience the most. The researchers believe that the study underhand may work as a contributing agent and open new horizons for future researchers in this phenomenon.

Keywords
Lollywood, Patriotic Movies, Public Behavior, Cinema Industry, Film Viewers

JEL Classification:
L82, L89

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1. Introduction

The cinema history dates back in late 1890s with collective and individual struggles by numerous founders belonging to various parts of the globe. So, it is generally believed in the United States of America, the inventor of moving film Thomas Edison was putting his all-out efforts on Kinetoscope, an instrument which permitted individuals to review moving/walking pictures in individual capacity rather than putting movies to heterogeneous audience (Gray, 1996, p. 10). In UK, Edison’s design was copied by Brit Acres and Robert Paul for manufacturing duplicates, but historical records showed that by 1896, both went on to initiate their personal project to screen movies (Barnes, 1976).

Accordingly, in France, the invention of the Cinematograph was credited with the hands of Lumiere brothers who combined moving pictures with both the camera and the projector (Chanan, 1996, p. 6). Both of them produced a film which was screened in 1895 and the entire concept revolved around the workers’ efforts to leave the Lumiere factory (Kenworthy, 2001, p. 17). Furthermore, there was a pair of Pathe’ Brothers of France who founded concept of actual producing films on a mass level. However, in the late 19th century, these French brothers established ‘film-business’ which attracted almost half of film market of the USA by 1906 (Gomery, 2005, p. 8).

Film and theatres have always great impact on viewers across the world. All formats of movies have their own viewers who like or watch movies in accordance with their beliefs and frame of minds. Most of the people from the young generations to elderly citizenry enjoy films across the world. Film is generally believed as an art form that appeals to every person. It can be a better and more effective source of preaching or imparting different social values among the viewers in more liberal way rather than teaching them in the orthodox manners. Film not only educates one’s consciousness but the eyes as well (Haroldo, 2013). There are many genres of films e.g., satire, science fiction, adventure, historical, mystery, comedy, crime, classic, magical realism, action, horror, romantic, social drama, thriller, and so on. Film is a universal powerful communication, which communicates the message to its audience usually on mass level in any country. Similarly, film is a popular source of entertainment as well as educating the masses at large scale. Film is also used for information, like it provides useful information to audience about history, present, past and future (Shah, 2011). Films are also produced for entertainment and commercial purposes rather than mere with the sole intention to inform people. From the platform of Doordarshan, India introduced post-colonial larger nationalist project to promote Indian national culture (Ninan, 2001).

Cinema industry is an outstanding storytelling device, which provides entertainment mechanism in a society. A system of visual communication that is perfect in terms of its stability and power. It is a combination of audiovisual which conveys the present and immediately to the world. Since its inception in early 20th century, cinema has secured the place of cultural identity. Cinema usually regulates our social apparatus in a community through film (Jeacle, 2009).

Going back in the history of movies, it is seen that movie itself is a complete history about any specific issue. Therefore, the skills, scripts and subjects portrayed in the movies are developed and altered in accordance with the history. Political, economic, social and ideological situations affect the films and in return the films influence our daily lives. Film, can have a massive influence on people around the world. Films help to reshape ideas, customs and styles in the audience, and if reshaped effectively, it can be spread from one culture to another. The audience of film or cinema industry are attracted by an unfolding drama, which identifies them quickly with the lead characters in film or drama, while casting roles of their own interest making their lives more mundane (Branston, 2000). Therefore, it can be affirmed that Cinema creates its own representations of our everyday life:
“...the everyday is now defined by the cinematic.
The two can no longer be separated. A single epistemological regime governs both visual fields (Denzin, 1995, p. 36).”

The films that are normally made to entertain people also have the capacity to change the behavior and habits of the society. A number of films were successful in conveying propagandist messages to justify US led military operation in Iraq if compared to other mediums. Sometimes, such [propaganda] films could become an effective tool of imparting propaganda education among general public (Jowett & Donnell, 1999). The film that entitled as silver screen is still considered one of the leading mediums of the sphere.

Cinema is considered an extraordinary medium to convey piece of history. In the beginning of the I World War, the British used film from the platform of cinema as an official propaganda campaign to attract massive public support in favour of the Government. Subsequently, in the II World War, most of the countries especially involved in war had the ability to address and stimulate the sentiments of the people through the propaganda portrayed in movies, and ultimately converted as essential instruments for nationalization of the masses (Reeves, 1983). Several leaders have achieved their aims by using the supremacy of film regardless their positive or negative impact on society. Throughout WWII, dictators such as Joseph Hitler of Germany and Joseph Stalin of Russia were successful in using films as tool of propagate their vested agendas. Thus, cinema worked as a source of crafting and reshaping an individuals’ opinions and views on public life. In pursuance of propaganda, fiction was involved in producing films during I World War. Around 240 films were shaped and released during first three years of the I World War in Britain, with addition to 152 films produced between May 1917 and till end of the war (Reeves, et. al. 1989). So, it has been witnessed that producing patriotic movies has become a universal concept, as the entire cinema industry has been making patriotic movies usually related to specific events such as World War I & II, USA and Soviet Union Cold War and 9/11 etc., in which they have given prominence to the sacrifices made by the nations and portrayed their perception for their audience.

Indian Bollywood film industry, while taking advantage from the 9/11, started to portray Muslims Characters as terrorists in their films while gaining public support in the name of patriotic love. Bollywood adopted a hegemonic attitude towards Muslims and projected them as terrorists. Indian cinema in general projected Muslims as terrorists and Pakistanis in particular who were allegedly involved in multiple terrorist strikes in India, Kashmir and other regions. Indian cinema projected Pakistan as ‘shelter ground’ for terrorists (Khan, 2010).

In response to World and Indian propaganda, Pakistan has also produced multiple patriotic films in native Urdu language which depicts the fights and struggles of the Muslims during partition in 1947, imagine to unified nation, develop sense of national identity, constructs and aware about nationhood (Ashraf, et. al. 2010). This research is aimed to explore and analyse the influence of patriotic movies on audiences’ attitudes and their beliefs. This research may help in identification of the elements of patriotism in movies such as songs, action, direction, characters etc. The audience were inquired about the elements of these movies they like to watch the most and bring effect on the minds of public. Moreover, study may also determine any impact on the viewers’ perception as well as any change occur in their level of patriotism after watching these movies.

**Research Objectives**
The objectives of the study were designed as: -
- To analyze the influence of patriotic Urdu movies on viewers.
- To identify the elements of patriotism most of the times liked by the viewers.
The research hypotheses of the study were made as:

- Lesser the production of Lollywood patriotic movies, the lesser effects of patriotism on Pakistani youth
- It is likely to believe patriotic movies may have greater impact on students in Pakistan

Research Questions
The research questions were developed as:

- How did audience perceive the concept of patriotism in Urdu movies?
- What the elements of patriotism may have greater effect on public minds?

Signification of Study
This research study may hopefully contribute to the existing framework in literature. It is leading the unexplored areas with the participating and contemplation of those pieces into present study. The research may proceed a theoretical stance, identify the importance of patriotic film on constructing, designing and changing individual’s attitudes, beliefs and perceptions towards patriotism. Furthermore, this research, which focusses on the patriotism as an important element, may also shed light on security agencies as well as the government.

Cinema being a very influential medium of communication can play a definite role in altering public notions and attitudes. It is aimed at story-writers and directors who can present an alternate worldview of Pakistan and its people. Finally, this study is likely to be beneficial for Pakistani society at large in general and filmmakers, Pakistani cinema, film and theatre, academicians of mass media, young and educated generations of the country. Accordingly, the present research may also help citizenry of Pakistan to comprehend the change of setting in Lollywood movies.

2. Literature Review
It is generally believed in Pakistan that Lollywood patriotic movies have a great impact on public behavior. It is also believed that the movies are a mature organ of mass communication, which play central role in social life. Many times ‘Freedom finds its Responsibility’ slogan has been publicly acknowledged by the leaders regarding motion picture industry. Whether or not, the trends of patriotic movies have raised internationally due to increase conflict situation globally. Some researchers believe that every type of movie has its own impact on viewers and some believe that it is not for the entire population. Gaurav and Pandey (2017) supported the stance while arguing that media was the mirror of the any society and depicted about what and how society work in a specific environment of wide-open media world. Only Media is the medium, either it forms of print, electronic or the web it is the source of information for people. It also provides entertainment, education to the masses and making the people aware of the present scenarios that are happenings around them. No matter, media is the voice of the society. Platforms with variety of media have inspired the thoughts and beliefs of the young generations and other slices of the society more persuasively.

Whitney (2006) says that today stories depicted in movies were powerful incentive as compared to those which were narrated in other media applications. Practically, movies are more powerful than military. Now, mass media caters public's desire such as action, adventure, romance, comedy and spectacle.

Nsikak and Joy (2017) elaborated while defining movies have a strong impact on behavior of the youth. Various innovations in technology has increased people’s access to motion pictures. As a result, its effects have been reinforced in recent years. Films primary purpose is to provide entertainment and can be a source of recreational learning if censored and regulated satisfactorily. However, improper movies and videos, exposed to teenagers, can generate negative behaviors that could be counter-productive for the emotionally unstable youths.
Mishra and Gho (2003) described the trends change in cinema industry after the 9/11 incidents across the globe. Mishra et. al. believed that it provided a new direction of events like terrorism and low intensity conflicts. Initially it was at the regional level, however, after the incident of 9/11, terrorism acquired global attention and changed the perspective overall. After 9/11, intentionally most of the films were based on propaganda, because the audience were affected by what they see and hear. Pictures and sounds aid the filmmakers to influence the emotions, attitudes and beliefs of the audience intentionally.

Rohini (2018) narrated that whatever viewers watch and listen to, influence and affects them at certain level. If not intentionally, it leaves its touches in audience mind. Subsequently viewers consider actors as superiors, whatever they act and perform it affects by the audience and viewers and they try to imitate and behave like them. Audience imitate their styles, followed their speaking patterns and the lifestyles they lead on and off-screen.

Ahmed (2017) concluded that basic elements of cinema; picture, music, and dance had been considered immoral in Pakistani society. This mindset has reduced the scope of film to entertainment, and the medium of film has not been able to develop itself as a serious subject. Therefore, not a single film school has been established in Pakistan yet. The growth of private television networks has encouraged, various educational institutes started degrees or diplomas programs in electronic media.

3. Theoretical Framework
This research study is based on Social Cognitive Theory, which is grounded on the incorporation of social information by a person: it suggests that learning is social phenomenon centered on the dynamic and mutual interaction of the individual, environment and behavior which operate and interact as determinant factors and influence one another. It defines that relationship as a factor affects interaction focus the three of elements in behavior development.

The Social Cognitive Theory (SCT) highlights that psychological change from media effect through this mutual model factor. The concept of SCT ‘reciprocal interaction’ adds to individual behavioral change which is directly exposed to him or her through film media. The current study discussed reciprocal relationship among three key factors i.e., personal, environmental and behavioral. These factors are operated and interacted as elements of influencing each other.

The researcher has adopted “Social Cognitive Theory” to examine the relationship between the reciprocal model factor. The main aim of this research was to examine viewer’s perception that may be affected by watching patriotic Urdu movies, produced in Pakistan’s cinema industry. This theory links to the present study, researchers tried to find out the level of patriotism that is inculcated through film exposure in viewer’s everyday life and how these mutual factors contribute to measure the level of film exposure of the viewers. In this study, researchers determined how patriotic Urdu movie portrays different conditions and situations among the audience. Basically, the main purpose of this study was to determine at what extent audience takes inspiration from patriotic Urdu movies to adopt nationalism as well as to what extent exposure of patriotic Urdu movie’s content influences the perception of the viewers and studies how these three factors helped in relating.

4. Research Methodology
Quantitative research approach was adopted for the study. For this study quantitative methodology i.e., the survey method was applied for data collection. The tool used for the survey research was structured questionnaire with close ended questions, which were answered by the population based on convenient sampling. Questions were designed according to the objectives of the research to determine the perception of public about the content of Urdu patriotic movies. The sampling frame was both for males and females, their qualification, location, occupation and age groups.
4.1 Lollywood
Lollywood is the term used for Pakistan’s Film Industry that is coined in the footprints of Bollywood and Hollywood. Hub of feather films that were produced in Lollywood are in Urdu apart from regional languages.

4.2 Viewers’ Perception
It refers viewer’s perception regarding the effects of Lollywood patriotic Urdu movies whether it crafts or reinforces opinion and aided to provide, information, entertainment, education, motivation, satisfaction, aggression, extremism, curios or creating violence.

4.3 Patriotism
Patriotism is a pragmatic approach or support of the country by an individual as well as the population. It refers to love for or devotion to one's country. This seems to apply in patriotic movies and patriotism message communicated through this cinema industry.

4.4 Patriotic Movies
It refers that patriotic films are the best source of getting information and observing patterns about national integrity, humanity, devotion, value of freedom, country’s love.

4.5 Attention Paying
It refers elements of conceptual as the amount of attention that the viewers usually pay heed to patriotic movies.

4.6 Elements of Patriotism
It actually states elements which compose in patriotic movies. Elements of patriotism in movie have been taken as songs, dialogues, actions, story, characters dynamics, direction and strategies of patriotic Urdu movies. The patriotic movies generally portray different consequence of patriotism.

5. Data Analysis
For this quantitative study, SPSS (Statistical Package for Social Sciences version-19) was employed to extract results of the study. The data was analyzed as descriptive statistics which involved calculation of frequency and percentages through SPSS. The data was allocated a number to each response categories for the purpose of computer analysis. For example, location: urban was assigned 1 and rural was assigned 2. The table wise analysis is showed underneath.

Table: 1 Demographic characteristic of the respondents

<table>
<thead>
<tr>
<th>Demographic characteristic</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 19-35 Years</td>
<td>334</td>
<td>83.5</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>244</td>
<td>60.5</td>
</tr>
<tr>
<td>Female</td>
<td>251</td>
<td>62.5</td>
</tr>
<tr>
<td>Qualification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelor</td>
<td>192</td>
<td>48.0</td>
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<td>Master</td>
<td>193</td>
<td>48.2</td>
</tr>
<tr>
<td>Location</td>
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<tr>
<td>Urban</td>
<td>249</td>
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<tr>
<td>Rural</td>
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<td>37.8</td>
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<td>Occupation</td>
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<tr>
<td>Professor</td>
<td>53</td>
<td>13.2</td>
</tr>
<tr>
<td>Lecturer</td>
<td>24</td>
<td>6.0</td>
</tr>
<tr>
<td>Officer</td>
<td>120</td>
<td>30.0</td>
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<tr>
<td>Other</td>
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<td>30.0</td>
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</table>

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Mean</th>
<th>Median</th>
<th>Mode</th>
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<th>Variance</th>
<th>Range</th>
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<td>1.00</td>
<td>0.49354</td>
<td>0.244</td>
<td>2.00</td>
<td>482.00</td>
</tr>
<tr>
<td>Gender</td>
<td>1.5013</td>
<td>2.0000</td>
<td>2.00</td>
<td>0.50063</td>
<td>0.251</td>
<td>1.00</td>
<td>251.00</td>
</tr>
<tr>
<td>Qualification</td>
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<td>1.0000</td>
<td>1.00</td>
<td>0.68290</td>
<td>0.466</td>
<td>1.00</td>
<td>466.00</td>
</tr>
<tr>
<td>Location</td>
<td>1.0975</td>
<td>1.0000</td>
<td>1.00</td>
<td>0.29701</td>
<td>0.088</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Occupation</td>
<td>1.520</td>
<td>1.0000</td>
<td>1.00</td>
<td>0.7534</td>
<td>0.568</td>
<td>2.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>
Table 1.0 Reveals the demographic characteristics of the participants that among them 50% were female and 49.8% were males who filled the survey form. Among the respondents 83.5% were less than the age of 35, 12.5% were 36 to 45 years old, while 4% of them were above 46 years. The results indicate that 90.3% of the participants were from urban areas, whereas, 9.8% from rural areas. The results of the study exemplify the qualification of the respondents that 62% have bachelor’s degree, 28% are having master degree, 9.3% are M Phil and only .5% have Ph.D. degree. Among of them 63.5% are students, 20.3% faculty and 15.8% are working as administration.

Table: 1.1 Pakistani Patriotic Urdu Movies Leave Everlasting Influence on Respondents

<table>
<thead>
<tr>
<th>Pakistani patriotic Urdu movies leave everlasting influence on you</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Strongly Disagree</td>
<td>15</td>
<td>3.8</td>
<td>3.8</td>
<td>3.8</td>
</tr>
</tbody>
</table>
The figure 1.1 shows that 47.5% among all of the respondents agreed that patriotic Urdu films leave everlasting influence on the audience as well as 67% of the participants agreed that patriotic Urdu movies can help to change their attitudes towards patriotism. 14.5% strongly agreed, whereas 19% participants selected undecided option. 15.3% of the viewers selected the option of disagreed and the very less viewers with the percentage of 3.8% strongly disagreed with it.

Table: 1.2 Patriotic Urdu Movies Make Audience Feel
The figure 1.2 presented the participants’ responses regarding how people feel while watching patriotic Urdu movies. There was a diverse response, when we combined ‘agreed’ and ‘strongly agreed’ responses together, it appeared that 71.3% of the participants agreed that patriotic Urdu movies make them motivated. The analysis of study exposes noteworthy difference in category of feeling informed about freedom is 65.5% following category feeling attracted towards Urdu patriotic is 52.7%, whereas the majority, 74.1% agree that patriotic movies entertained them.

Table 1.3 Elements in a Patriotic Urdu Movies Make Movies Impressive

<table>
<thead>
<tr>
<th>Elements in a Patriotic Urdu Movies Make Movies Impressive</th>
<th>Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Songs</td>
</tr>
<tr>
<td>N Valid</td>
<td>396</td>
</tr>
<tr>
<td>Missing</td>
<td>4</td>
</tr>
<tr>
<td>Median</td>
<td>4.0000</td>
</tr>
<tr>
<td>Mode</td>
<td>4.00</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1.13265</td>
</tr>
<tr>
<td>Variance</td>
<td>1.283</td>
</tr>
<tr>
<td>Range</td>
<td>4.00</td>
</tr>
<tr>
<td>Sum</td>
<td>1376.00</td>
</tr>
</tbody>
</table>
Figure: 1.3

The figure. 1.3 presented the participants’ responses regarding whether they considered elements of patriotic Urdu movies makes movie more impressive. Story is most like the audiences 77.6% as compared other elements. There was a diverse response, when we combined ‘agreed’ and ‘strongly agreed’ responses together, it appeared that 73.3% of the participants agreed dialogues of patriotic Urdu movies make movies inspiring following character dynamics 73.1%, direction 69.8%, action 66.6%. Whereas only 55.5% agreed that songs in a patriotic Urdu movie makes it impressive.

Table: 1.4 Patriotic Urdu Movies Source of Awareness

<table>
<thead>
<tr>
<th>Source of Awareness</th>
<th>Pakistani Culture</th>
<th>Freedom</th>
<th>Uniformed Forces</th>
<th>Patriotic Education</th>
<th>Religion</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>394</td>
<td>395</td>
<td>392</td>
<td>396</td>
<td>396</td>
</tr>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>6</td>
<td>5</td>
<td>8</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mean</td>
<td>3.9467</td>
<td>3.8608</td>
<td>3.7372</td>
<td>3.8333</td>
<td>3.5025</td>
</tr>
<tr>
<td>Median</td>
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<td>4.0000</td>
<td>4.0000</td>
<td>4.0000</td>
<td>4.0000</td>
</tr>
<tr>
<td>Mode</td>
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<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1.80040</td>
<td>.96558</td>
<td>1.04861</td>
<td>.98212</td>
<td>1.09429</td>
</tr>
<tr>
<td>Variance</td>
<td>3.241</td>
<td>.932</td>
<td>1.100</td>
<td>.965</td>
<td>1.197</td>
</tr>
<tr>
<td>Range</td>
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<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Sum</td>
<td>1555.00</td>
<td>1525.00</td>
<td>1465.00</td>
<td>1518.00</td>
<td>1387.00</td>
</tr>
<tr>
<td>Percentiles 25</td>
<td>3.0000</td>
<td>3.0000</td>
<td>3.0000</td>
<td>3.0000</td>
<td>3.0000</td>
</tr>
</tbody>
</table>
Table 1.4 presented the participants’ responses regarding whether they considered patriotic Urdu movies as being source of awareness. There was a mixed response, when we combined ‘agreed’ and ‘strongly agreed’ responses together, it appeared that 69.1% of the participants agreed that patriotic Urdu movie provide awareness about patriotic education following awareness about freedom is 68%, pushing to join uniformed forces are 62.2% in their lives. Only 53% agreed that patriotic Urdu movie has a religious impact on them whereas the majority 70.8% agreed that it provide awareness about the Pakistani Culture in Pakistani society.

<table>
<thead>
<tr>
<th></th>
<th>Humanity</th>
<th>Devotion</th>
<th>Love for country</th>
<th>Proud on uniformed forces</th>
<th>National Integrity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>N</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valid</td>
<td>395</td>
<td>397</td>
<td>393</td>
<td>397</td>
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<td>5</td>
<td>3</td>
<td>7</td>
<td>3</td>
<td></td>
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<tr>
<td><strong>Mean</strong></td>
<td>3.7620</td>
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<td>4.0712</td>
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<tr>
<td><strong>Median</strong></td>
<td>4.0000</td>
<td>4.0000</td>
<td>4.0000</td>
<td>4.0000</td>
<td></td>
</tr>
<tr>
<td><strong>Mode</strong></td>
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<td>4.00</td>
<td>4.00a</td>
<td>4.00</td>
<td></td>
</tr>
<tr>
<td><strong>Std. Deviation</strong></td>
<td>.92571</td>
<td>.85917</td>
<td>.92030</td>
<td>.88965</td>
<td></td>
</tr>
<tr>
<td><strong>Variance</strong></td>
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<td>.738</td>
<td>.847</td>
<td>.791</td>
<td></td>
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<tr>
<td><strong>Range</strong></td>
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<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
<td></td>
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<tr>
<td><strong>Sum</strong></td>
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<td>1650.00</td>
<td>1600.00</td>
<td>1563.00</td>
<td></td>
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</table>
The research results reveal that participants’ responses regarding whether they considered patriotic Urdu movies are source of patriotism promotion. There was a mixed response, when we combined ‘agreed’ and ‘strongly agreed’ responses together; it appeared that 74.6% of the participants agreed that patriotic Urdu movie make them proud on uniformed forces. While comparing the study’s findings it is shown that national integrity is 69.6% following humanity devotion 67.1% through patriotic movies whereas the majority, 81.6% agreed that it promote love for country in their lives.

Table: 1.6 Patriotic Urdu Movies Leave Audience with Feeling

![Image of Table 1.6]

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Violence</th>
<th>Aggression</th>
<th>Curios</th>
<th>Extremism</th>
</tr>
</thead>
<tbody>
<tr>
<td>N Valid</td>
<td>396</td>
<td>397</td>
<td>394</td>
<td>397</td>
</tr>
<tr>
<td>Missing</td>
<td>4</td>
<td>3</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Mean</td>
<td>2.6591</td>
<td>2.7431</td>
<td>2.9492</td>
<td>2.8892</td>
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<tr>
<td>Median</td>
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<td>3.0000</td>
<td>3.0000</td>
<td>3.0000</td>
</tr>
<tr>
<td>Mode</td>
<td>3.00</td>
<td>3.00</td>
<td>3.00</td>
<td>3.00</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1.10577</td>
<td>1.11893</td>
<td>1.10168</td>
<td>2.79751</td>
</tr>
<tr>
<td>Variance</td>
<td>1.223</td>
<td>1.252</td>
<td>1.214</td>
<td>7.826</td>
</tr>
<tr>
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<td>4.00</td>
<td>4.00</td>
<td>43.00</td>
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<tr>
<td>Sum</td>
<td>1053.00</td>
<td>1089.00</td>
<td>1162.00</td>
<td>1147.00</td>
</tr>
<tr>
<td>Percentiles</td>
<td>25</td>
<td>2.0000</td>
<td>2.0000</td>
<td>2.0000</td>
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<tr>
<td></td>
<td>50</td>
<td>3.0000</td>
<td>3.0000</td>
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</tr>
<tr>
<td></td>
<td>75</td>
<td>3.0000</td>
<td>4.0000</td>
<td>4.0000</td>
</tr>
</tbody>
</table>
The research results reveals that participants ‘disagreed’ and ‘strongly disagreed’ responses together that patriotic Urdu movies leave them feelings of aggression (43.3%) in comparison to other respective items. While the further findings signify that extremism 42.1%, curios are 31.6% and violence is 23.3% The analysis of findings exposes significant difference appeared that almost 30% of the participants undecided that patriotic Urdu movies leave feeling of violence, curios, aggression and extremism in them. Whereas 16.5% audience strongly agreed with this perception that patriotic movie causes violence among them and almost 25% participants agreed with this statements that patriotic Urdu movies generate feeling of violence, curios, aggression and extremism in them.

**Table 1.7: Pakistani Patriotic Movie Should Be Made On These Subjects**

**Figure: 1.7**
The research results reveals that 72.9% participants’ responses that Pakistani cinema industry is in a dire need to produce more patriotic Urdu movies. They considered patriotic Urdu movies should be made on the subject of civic, ethnic, culture, religious and ideology. There was a mixed response, when we combined ‘agreed’ and ‘strongly agreed’ responses together, it appeared that 75% of the participants agreed that patriotic Urdu movie’s content should be focused on ideology following about ethnic is 69%. The comparative analysis of study’s shows religion as being the lowest 64.3%. Only 56.3% agreed that patriotic Urdu movie should be based on civic subject whereas the majority, 78.5% respondents yearning to watch Pakistani patriotic movies on cultural topic.

6. Findings
Finding of the study revealed that maximum participants felt that patriotic Urdu movies have an everlasting influence on them. Indeed, movie is a form of art that essentially effects the viewers with an appealing story, powerful characters, and the presentation of a cinematic world, films help to provoke emotions in audience. The results disclosed that watching a patriotic movie was a major source of entertainment for most of the targeted audience. In addition to entertainment, they also feel motivated after watching patriotic movies. The results of the current research revealed that most of the participants focused on the story of a movie then dialogues and then character dynamics of the film. Identification of element determined that what ought to be screened that satisfy viewers preferences. Gender, background, and ethnic groups of the audience are the focal reason to contribute differences in such method of understanding. The research shows that the patriotic Urdu movies are great source of awareness firstly because they promote Pakistani Culture and secondly they provide patriotic education. Results also discovered that 81.6% respondents believe that patriotic movies inculcate love for country in the individuals and 74.6% think that they feel proud about the uniformed forces of Pakistan. The research shows that 30 percent of the targeted audience was not sure whether patriotic Urdu movies leave them with the feeling of violence, aggression, curios and extremism (negative impact). Interestingly, they selected the option of undecided from the given scale. The second highest selected option of this question was disagreed and strongly disagreed which meant that the respondents did not have the feeling of violence, aggression, curios and extremism after watching patriotic movies. On the other hand, it cannot be ignored that 30 percent of the respondents agreed that patriotic Urdu movies can inculcate negative impact among them. The mass media has a great influence and persuasive nature that effects the opinions and behaviors of the people and encourage them to incorporate new life patterns and fashion.

Nonetheless, it was explored that patriotic Urdu movies leave a positive impact on the society of Pakistan. Such movies have a stronger patriotic appeal which helps to change majority of respondent’s attitude and perception towards Pakistan. Films follow several formats that are being displayed in the cinema screen or any other format founded on formal quality. These kind of films portrayed its cultural illustrations at large and interpreted different categories and leads the daily bases practices. The majority of the respondents maintained (72.1%) that Pakistan’s cinema industry is in a dire need to produce more patriotic films. This shows that audience wants a positive image of their country to be portrayed worldwide.

6.1 Verification of the Hypotheses
The results of this research have verified that if there will be less patriotic movies there will be less impact of patriotism on youth. It is seen from the results of the study that patriotic movies leave the viewers with an everlasting influence. If the Lollywood was producing less patriotic movies they still leave a positive impact on the audience. The study results showed that more than half of the participants agreed that they have a positive impact. Moreover, they also agreed that the Lollywood is in the dire need to produce more Patriotic Urdu movies.

7. Conclusion
In this research, educated class considers that patriotic Urdu movies have a constructive and everlasting influence on them. The impact of patriotic Urdu movies has positive rather than negative impact, the audience feel entertained and motivated. They learnt about their country, culture, freedom and forces etc.
So, it is concluded that people like the patriotic movies which have strong script, dialogues and direction. Moreover, the audience like patriotic Urdu movies which are relatable to their real lives. It influences through the message it conveys. The content, which is presented on the patriotic movies, affects the thoughts and behavior of the educated public. Our film industry should produce more patriotic films based on the following subjects i.e. cultural, ideology, ethnic and civic.

8. Recommendations

- It is recommended to the story writer to script a story with a strong content which relates to patriotic and social issues that exist in Pakistan’s society.
- It is further recommended the lyricist to compose the lyrics of the songs as per the patriotic events and scenarios in the patriotic movies but within the social and cultural fabric of the society.
- Film-makers are required to improve the quality of production procedures and methods to uplift the Urdu cinema industry in Pakistan.
- It is suggested to the film producers to make standardized Urdu patriotic movies to cater the negative image portrayed in the competitive cinema industries.
- The finding suggests to the film producers and directors to represent following subjects, cultural values, ideology, and ethnicity in their patriotic Urdu movies to promote positive Pakistani society all over the world.
- This research study shows the patriotic impact of patriotic Urdu movies on the audience perception. Further research studies may be conducted to explore the impact of cultural, social and psychological attitudes of the public towards Urdu movies.

References


Haroldo, A., Fontaine. (2013). The Power of Film to Educate and Miseducate Pre-Service Teachers: A Phenomenological Analysis of Hidalgo and Cultural Representation of Muslims Post 9/11. Haroldo is a doctoral candidate at Florida State University, Tallahassee, Florida.


Study the Level of Awareness among Housewives about Environmental Education

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1. Introduction
Education in its general sense is a form of learning in which the knowledge, skills, and habits of a group of people are transferred from one generation to the next through teaching, training, or research. The basic logic is that what counts as education is the delivery of units of knowledge, skills, and information.
Education is not something static but it is a continuous and lifelong process. Soon after the birth and throughout his life, as man undergoes varied experiences and continuously learns one way of behavior or another he is subjected to varying and changing condition of life and has to make adjustment of these different situations and circumstances.

“What is the environment?” “What is environmental education?” These questions are the most fundamental but yet complicated to environmental educators. The word environment, derived from old French, word meaning “surroundings,” includes, “the complete range of external conditions in which an organism lives” (Allaby, 1994,). The environment includes the biotic and abiotic factors that affect an organism (Miller, 1990). In addition to understanding the environment in connection with its physical and biological processes, definitions of the environment are often influenced by social, cultural, economic, and political considerations (Allaby, 1994; Neal & Palmer, 1990).

The meaning of the environment within environmental education often focuses on the interactions between human beings and the environment. For example, Miller-Schroeder (2001) defined the environment as: everything around us, wherever we go. It is all of the plants, animals, people, soil, air, water, and energies that surround us. People share the environment with many other people, plants, and animals. Everyone depends on it for their health and well-being.

Moreover, housewives, particularly not including jobs exterior the house, include hardly ever been familiar as dynamic learners or agents of culture and society progress. Housewives have regularly been seen as pure community beings who are so engaged in attractive concern of their homes that they are not interested in their own increase and expansion; the majority significantly, they immediately pursue the current of the period quite than direct to modify.

Education is the delivery of knowledge, skills, and information from teachers to students. While the above metaphor education as a delivery system sounds reasonable, it misses what is most important about education. Education is complicated by the fact that there is not a clear consensus about what is important about being and becoming educated. For many people the importance of education lays in future job prospects, for others its quality of citizenship, and yet others just want literacy, critical thinking, and/or creativity. An educated person is someone who perceives accurately, thinks clearly, and acts effectively on self-selected goals.

Investigations show that women all above the humanity, mainly housewives, aggressively organize and contribute in society organizations. In their articles, Moon (2000) and Youe (2004) discover the practices of how Korean urban housewives systematize, contribution, and deal with society organizations in sort to resolution the community’s troubles. Together current and stress every container of housewives’ organizations in society as model of participatory society progress in Korea. In adding to Korean women, Mexican country and city women contain motivated external the personal gap of the house, and have entered the community area in arrange to manage by globalization; they contain prepared and participated in society organizations such as reduction clubs, stitching co-operatives and society kitchens in city areas (Villagomez, 1999).

While in the beginning of mature teaching as an expert the ground to perform in the 1920s, several scholars and practitioners contain attempted to respond to the problem of how adults study in a different way starting kids. surrounded in the idea of mature teaching is often the faith to mature learners are dissimilar from kids and that there wants to be a separate hypothesis foundation the education and knowledge of adults (Hanson, 1996).

Even if the thoughts of the community background as essential to knowledge contain freshly gained importance in mature learning, knowledge in the community environment has been appreciated even in the early communication of mature learning. For example, Lindeman (1961), one of the early adult
educators, argued that “the approach to adult education will be via the route of situations, not subjects”. Moreover, Dewey’s ideas of knowledge emphasized the idea of education in a community environment.

Although Dewey has no detailed theory of mature learning, he is the first theorist to contain examined the significance of practice in teaching and his thoughts has had a profound power on the whole ground of mature teaching. In fact, the majority mature educators have emphasized the basic position practice acting in knowledge in maturity (Brookfield, 1987; Knowles, 1980; Kolb, 1984; Lindeman, 1961). Dewey’s donation enabled educators to center on practice as middle in together pedagogy and andragogy.

Since the researcher comprise prominent, Dewey attempts to construct a latest idea of teaching leading a theory of knowledge; specifically, he tries to clarify the whole link among education and own knowledge. Dewey (1916, 1938) challenged one of the middle concepts of conventional teaching, the obligation of teaching from over and from outside. According to Dewey, conventional teaching attempts to oblige mature principles, subject-matter, and precedent methods leading the youthful in arrange to plan them for potential responsibilities. Dewey discards information of the history, and merely emphasizes its importance as a means. Dewey, during his progressive “new idea” teaching tries to find out the association that exists in knowledge among the achievements of the ancient times and the issues of the current.

Objective of the study:

- Study the effect of environmental education on housewife’s achievement.
- Analyze the ideas of housewives about environmental Education.
- Investigate about the problems of the housewives in environmental Education.

Research questions

- Why do housewives in the community-based organization, “Green Future,” participate in the organization?
- What have they learned by participating in Green Future?
- How does learning for the housewives occur through participation, over time in the organization?
- How does their standpoint as women shape their learning?
- What are the gender problems housewives face during Green Future concept?
- How the problems of Housewives may be solved?

2. Methodology

As the study remained descriptive in nature so the survey technique was used. Population of the study comprises over the number of house wives from Madrissa and Bahawalnagar cities mainly due to their administrative (ruler and urban) background. The Sample of the study was drawn accessibly from two cities. Data was collected through close ended questionnaire. Collected data was tabulated, analyzed and classified.

3. Results and Discussion

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<td>32%</td>
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<td>12%</td>
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<td>8%</td>
<td>5</td>
<td>10%</td>
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</tbody>
</table>
Findings of the study are presented here based on the analysis in the previous section so that the conclusions may be drawn.

4.1 Findings Regarding Environment

- 29 (58%) majority of respondents housewives were strongly agreed that these days jobs are more significant than protecting the environment for the future.
- 18 (36%) majority of respondents housewives were agreed that they are reluctant to create personal sacrifices for the sake of the environment.
27 (54%) majority of respondents housewives were agreed that if their job causes any kind of environmental problems, they would prefer to leave the job than carrying it.

13 (26%) majority of respondents’ housewives were strongly agreed that Car can make their life style the life of aristocratic family.

19(38%) majority of respondents housewives were strongly agreed that people have right to make any kind of change in natural environment to suit their needs.

22(44%) majority of respondents housewives were agreed that Human is severely abusing the world in which they are living.

16(32%) majority of respondents’ housewives were strongly agreed that all living things have the similar right as compare to humans.

15 (30%) majority of respondents’ housewives were disagreed that the stability of nature is extremely subtle and simply disturbed.

4.2 Findings Regarding Environmental Issues

46(92%) majority of respondents’ housewives were agreed that the most important environmental issue is water.

29(58%) majority of respondents’ housewives were agreed that the design of buildings waste water and energy.

25(50%) majority of respondents housewives were agreed that they agree with the importance of purchasing recyclable products.

46(92%) majority of respondents housewives were agreed that the smokes of vehicles are causing air pollution.

44(88%) majority of respondents housewives were agreed that the plastic bags are causing environmental pollution.

48(96%) majority of respondents housewives were agreed that environmental pollution affecting their health.

45(90%) majority of respondents’ housewives were agreed that they think that eco-system is the main cause of environmental pollution.

4.3 Findings Regarding Housewives Views

32(64%) majority of respondents housewives were agreed that they are in favour of combined family system.

28(56%) majority of respondents housewives were agreed that they are in favour of studying after marriage.

25 (50%) majority of respondents’ housewives were not agreed that they will favor liberated puncture.

36(72%) majority of respondents housewives were agreed that they give preference to socializing affairs.

41(82%) majority of respondents housewives were agreed that they give preference to family affairs.

42(84%) majority of respondents housewives were agreed that they favour the customary roles assigned to husbands and wives.

47(94%) majority of respondents housewives were agreed that their husband contributing to their special needs and demands.

4.4 Findings Regarding Environmental Awareness

41(82%) majority of respondents housewives were agreed that they understand about the environmental issues.
• 24 (48%) majority of respondents housewives were agreed that they have ever study /learn about environmental issues.
• 46 (92%) majority of respondents housewives were agreed that they feel environment plays an important role in their life.
• 36 (72%) majority of respondents housewives were not agreed that they satisfied with their environment.
• 44 (88%) majority of respondents housewives were agreed that they satisfy with their home environment.
• 30 (60%) majority of respondents’ housewives were not agreed that their husband use smoking, pawn, or any other type of drug.

5. Conclusions
Conclusions based on findings from the analysis of data are presented here in this part of study, so that discussions and recommendations for future may be given.

5.1 Conclusions based on Environment
• Majority of housewives thought that these days jobs are more significant than protecting the environment for the future.
• Majority of housewives thought that they are reluctant to create personal sacrifices for the sake of the environment.
• Majority of housewives thought that if their job causes any kind of environmental problems, they would prefer to leave the job than carrying it.
• Majority of housewives thought that Car can make their life style the life of aristocratic family.
• Majority of housewives thought that people have right to make any kind of change in natural environment to suit their needs.
• Majority of housewives thought that Human is severely abusing the world in which they are living.
• Majority of housewives thought that all living things have the similar right as compare to humans.
• Majority of housewives thought that the stability of nature is not extremely subtle and simply disturbed.

5.2 Conclusions based on Environmental Issues
• Majority of housewives thought that the most important environmental issue is water.
• Majority of housewives thought that the design of buildings waste water and energy.
• Majority of housewives thought that they agree with the importance of purchasing recyclable products.
• Majority of housewives thought that the smokes of vehicles are causing air pollution.
• Majority of housewives thought that the plastic bags are causing environmental pollution.
• Majority of housewives thought that environmental pollution affecting their health.
• Majority of housewives thought that they think that eco-system is the main cause of environmental pollution.

5.3 Conclusions based on Housewives Views
• Majority of housewives thought that they are in favour of combined family system.
• Majority of housewives thought that they are in favour of studying after marriage.
• Majority of housewives thought that they will not favor liberated puncture.
• Majority of housewives thought that they give preference to socializing affairs.
• Majority of housewives thought that they give preference to family affairs.
• Majority of housewives thought that they favour the customary roles assigned to husbands and wives.
• Majority of housewives thought that their husband contributing to their special needs and demands.
5.4 Conclusions based on Environmental Awareness

- Majority of housewives thought that they understand about the environmental issues.
- Majority of housewives thought that they have ever study/learn about environmental issues.
- Majority of housewives thought that they feel environment plays an important role in their life.
- Majority of housewives thought that they do not satisfied with their environment.
- Majority of housewives thought that they satisfy with their home environment.
- Majority of housewives thought that their husbands do not use smoking, pawn, or any other type of drug.

6. Recommendations

- The general findings of the survey indicated that the most important step to be to improve efficiency and participation in environmental project is to create awareness among the people (housewives).
- Other factors, besides the desire for environmental protection, influence participation in Environmental protection projects. These factors need to be assessed so that they can be addressed properly in project designs.
- For women, the projects need to be specifically designed so they do not take too much time away from their chores or can be combined with them (e.g. parallel event for children so they are taken care of).
- Finally, it cannot be established if the findings are always gender specific or just specific to the population of the area. While specific issues certainly represent the challenges or privileges specific to women, men may have a similar lack of awareness of climate change and other environmental issues. Because the survey combined several terms and concepts, further research will need to investigate the underlying definitions and perceptions to draw a clearer picture and more focus has to be put on women’s specific conditions and needs as opposed to men’s.

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Future Time Orientation and Moral Self-image: An Analysis of Adolescents in Private and Government Schools in Punjab Pakistan

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Abstract
The purpose of the present research was to investigate future time orientation and moral self-image in the adolescents of government and private schools. A sample of 300 adolescents was studied from the government and private schools of Kharian, Pakistan by using simple random sampling technique. The construct of future time orientation was measured by using Time Orientation Scale (Zimbardo & Boyd 1999) whereas moral self-image was measured by using Moral Self Image Scale (Jordan, Leliveld, & Tenbrunsel, 2015). The data was analyzed by using simple regression and independent sample t-test. The results revealed that future time orientation was the significant predictor of moral self-image [R²=.168; F (1, 298) = 60.103, p<.01]. Further, there was difference in the future time orientation of adolescents of government and private school (t (298) = 3.40, p<.05) and difference in moral self-image was not significant (t (298) = 1.02, p>.05). Whereas on gender there was a non-significant difference persist in the future time orientation (t (298) = .62, p>.05) and significant difference identified on moral self-image (t (298) = -2.1, p<.05). It was explored that future time orientation was the significant predictor of the moral self-image. Moreover, there was difference in the future time orientation of government and private school adolescents and no difference on the moral self-image. Moreover, no gender difference was established on future time orientation and a gender difference existed on the moral self-image.

1. Introduction
Morality can be referred as a notion that explains what is right and what is wrong (Erikson & Haraldsson, 2013) Jordan, Leliveld and Tenbrunsel (2015) evaluated that substantiation of unethical and disreputable behavior is well-known in society. Shalvi, Gino, Barkan, & Ayal (2015) proposed that person’s own perceptions about his morality or ethics is flexible and vibrant, and can affect the consequent behavior at
any moment in time, situation and social factors may fluctuate person’s view about moral self. Jordan, Leliveld and Tenbrunsel (2015) has investigated and proposed the concept of the moral self-image. They defined moral self-image as an individual’s malleable and dynamic ethical self-concept and offer awareness into this pliability of moral self-image.

Every individual wants to view himself as a moral being (Monin & Jordan, 2009) and take solid actions to continue this confidence when they act dishonestly (Barkan, Ayal, Gino, & Ariely, 2012). Further, according to Jordan, Mullen, & Murnighan (2011) when individual behave ethically, their self-concept strengthened and permitting him to reduce his consequent moral strivings and involve in immoral behaviors. Whereas, when person behave immorally, they pursue to support this self-concept by involving in moral behaviors. Moreover, if there was inconsistency among individual’s perceived ideal moral self-image and actual moral self-image it leads to a vibrant and flexible awareness of individual’s towards different moral self at any time (Moore & Gino, 2013).

There are many factors that can affect the moral self-image, one of the important factor may be future time orientation. The time perspective shows how different human experiences are manipulated and organized into different temporal dimensions (Worrell & Mello, 2007). The Zimbardo Time Perspective provides a quantifiable measure of time, which is represented as five dimensions like past positive, past-negative, present-fatalistic, present-hedonistic, and future (Zimbardo & Boyd, 1999). The future time orientation can be explained as a person’s thinking style, strategies, drives, hopefulness and spirits about his or her future (Stoddard, Zimmerman, & Bauermeister, 2011). Future orientation may be defined as a clear vision of the future and also have the knowledge of the impact of present actions on future results (Rothspan & Read, 1996). The future orientation focuses on overarching personal values and abstract issues. The characteristics may include interest to responsibility, analytical decision making, risk taking and achievement of long-term goals (Holman & Zimbardo, 2009).

It is of great significance to recognize the difficulties concerning to the adolescents (14-18 years) in schools. Adolescence is a face of person’s life cycle that start from the onset of puberty in between the ages of 12-18 years (Dahl, 2006). Firstly, an individual encountered early adolescences stage that includes 10-13 years where a person develops more speedily with curious or anxiousness feelings about bodily changes. In the middle adolescence the age range is 14-17 years and person undergo change in the voice and the development of acne on the face. Additionally, adolescent involved in romance and sexual relationship with aggressive behavior for becoming independent. Finally, in the late adolescence the age is between 18-21 years. The physical changes are completed at that stage and adolescent’s become more rational and close to family (Nienstein, Gordon, Katzman, & Rosen, 2009). The changes in adolescent period creates a feeling of restlessness and confusion among them and change their way of perceiving the world (Casey, Jones, & Hare, 2008). Further, the adolescent comprise of 1.2 billion of the world that is 16% of the world’s population and the number will raise to 90% in 2050 specially in poor or middle income countries (World Health Organization, 2019). So it is important to see the problem pertaining to adolescents.

The main objective of the study was to investigate future time orientation as the predictor of moral self-image in the adolescents of government and private schools. Research confirmed the that persons who were future time oriented as compare to present time oriented had high moral concern (Nordhall & Agerström, 2013). Further, another study found that temporal distance or time perspective was connected with morality (Erikson & Haraldsson, 2013).

Further, this study also seeks the difference in gender and school type (government and private school) on the future time orientation and moral self-image of adolescents. A study reported that school students were future oriented and girls were more future oriented as compare to boys (Mello & Worrell, 2006). Further, the study will also seek out the difference in the future time orientation of adolescents of government and private schools. On account of difference in the moral self-image a study conducted in
Pakistan compared gender and school type in relation to moral values. The results revealed that gender (boys or girls) and type of different schools (public or private) have main impact on the moral beliefs of children. The public school’s students and boys had low morality whereas the students who belong to private school and girls had high morality (Javed, Kousar & Khan, 2010).

2. METHOD
Cross-sectional survey research design was used in the present research.

2.1 Participants
The sample of 300 students was employed (150 Girls & 150 Boys) in the research from kharian city of Punjab, Pakistan. The sample selected using simple random sampling from the 109 governments and 44 private schools in Kharian. 150 students taken from government and 150 from private schools. Among the 150 students 75 were boys and 75 girls from each setting.

2.2 Measures
The data was collected using a scale battery that was comprised of socio demographic form, Time Orientation Scale (Zimbardo & Boyd 1999) and Moral Self Image Scale (Jordan, Leliveld, & Tenbrunsel, 2015).

The socio-demographics form includes gender, age, education, birth order, number of siblings, family system, father's education, father's occupation, mother's education and family income etc. The Future Time Orientation was measured using Time Orientation Scale (Zimbardo & Boyd 1999). There were three sub-scales (past, present and future) of the Time Orientation Scale but researcher used only Future Orientation sub-scale. It was consisted of 13 items with 5 point likert scale. The Moral Self Image Scale (Jordan, Leliveld, & Tenbrunsel, 2015) measures and understanding the malleability of the moral self. In this scale researcher measured Moral Self Image by presenting nine traits perceived as prototypical of the ideally-moral person by using 9 point Likert scale. Researcher asked students to designate where they were relating to their ideal self on nine different traits.

2.3 Procedure
The data was collected from the adolescents of government and private school using simple random sampling technique. The aim and procedure of the research were finalized by the convener Department Research Review Committee (DRRC), University of Gujrat, Pakistan. The list of schools was taken from the Chief Executive officer (CEO). The data collection permission had been taken from institution and departments. Informed consent had been taken from respondent parents or guardian through school. In the inform consent, researcher fully described the purpose and all other important information related to research. In the consent form, researcher also guarantee the privacy and confidentiality of the provided information and right to withdraw the research at any time. Before data collection, rapport was built with the respondents. After that the socio-demographic form, future time orientation scale and moral self-image scale was filled out by the adolescents. The students were requested to read the statement and initiate a response that suits them. Both scales were used in the study after taking permissions from authors.

2.4 Statistical Analysis
The data of the study was analyzed by regression and independent sample t-test analysis. Regression is a technique which is use to predict relationship among variables when a change or variation in a dependent variable depends on a change or variation in independent variables. Simple regression analysis was used to see the predictive relationship of future time orientation on the moral self-image of adolescents of government and private’s schools.

The independent sample t-test used to evaluate the difference in groups. It can compare the mean scores of the two different groups of conditions or people. In the current study the comparison of government
and private school’s adolescents were done on future time orientation and moral self-image. Further, the gender comparison of the two variables was also seen.

3. Results
Regression and independent sample t test was used to analyzed future time orientation and moral self-image of adolescents of private and government schools.

Table 1
Summary of regression analysis of Future Time Orientation as a predictor of Moral Self Image in Government and Private Schools Students (N =300)

<table>
<thead>
<tr>
<th>Variables</th>
<th>R</th>
<th>R²</th>
<th>ΔR²</th>
<th>F</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future Time Orientation</td>
<td>.410</td>
<td>.168</td>
<td>.165</td>
<td>60.103</td>
<td>.000</td>
</tr>
<tr>
<td>Moral Self Image</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to Table 1 future time orientation was the significant predictor of moral self-image [R²=.168; F (1, 298) = 60.103, p<.01]. The 16.8% of the variation in moral self-image is explained by future time orientation.

Table 2
Means and Standard Deviations of Government and Private Schools Students on Future Time Orientation and Moral Self-image (N=300)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Government</th>
<th>Private</th>
<th>M</th>
<th>SD</th>
<th>M</th>
<th>SD</th>
<th>t(df)</th>
<th>p</th>
<th>Cohen’s d</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future Time Orientation</td>
<td>52.00</td>
<td>49.47</td>
<td>49.47</td>
<td>7.01</td>
<td>5.76</td>
<td>4.76</td>
<td>3.40(298)</td>
<td>.001</td>
<td>0.405</td>
</tr>
<tr>
<td>Moral Self Image</td>
<td>46.12</td>
<td>44.84</td>
<td>9.83</td>
<td>4.83</td>
<td>11.79</td>
<td>11.79</td>
<td>3.02(298)</td>
<td>.001</td>
<td>0.120</td>
</tr>
</tbody>
</table>

Table 2 shown on future time orientation there was difference between the adolescents of government and private schools (t (298) = 3.40, p<.05). It means there was a difference in the future time orientation in the two groups. The difference was also evident from mean and standard deviation scores of Future Time Orientation in adolescents of government and private Schools. Further, in case of moral self-image the difference was insignificant (t (298) = 1.02, p>.05) whereas the mean and standard deviation scores indicated a difference in the moral self-image of government and private school’s adolescents. Furthermore, the Cohen’s d effect size indicated that future time orientation has approximately moderate effect size while moral self-image showed small effect size.

Table 3
Means and Standard Deviations of Boys and Girls on Future Time Orientation and Moral Self-image (N=300)
Boys & Girls Variables | M | SD | M | SD | t(df) | p | Cohen’s d
--- | --- | --- | --- | --- | --- | --- | ---
Future Time Orientation | 50.97 | 6.84 | 50.5 | 6.22 | .62(298) | .53 | 0.06
Moral Self Image | 44.15 | 11.05 | 46.8 | 10.53 | -2.1(298) | .03 | 0.25

Table 3 indicated that there was no difference in the future time orientation of boys and girls (t (298) = .62, p>.05). The means and standard deviation scores also indicated no difference. Further, on moral self-image there was a significant difference exist in the moral self-image of boys and girls (t (298) = -2.1, p<.05). The difference can also be seen in the mean and standard deviation scores. Further, Cohen’s d of the two variables indicated a small effect size especially on future time orientation the effect size is almost zero.

4. Discussion
The main objective of the study investigates future time orientation as the predictor moral self-image in adolescents of government and private school.

The findings of regression analysis established that future time orientation was the significant predictor of moral self-image [R²=.168; F (1, 298) = 60.103, p<.01] in the adolescents of government and private schools with 16.8% explained variation. It was seen that positive future orientation can enhance student’s functioning in school. It was also noted that student’s school setting boost their future beliefs that can be done through progressive student-teacher relationship, educational motivation and accomplishment (Alm, Låftman, Sandahl & Modin, 2019). Previous studies confirmed the findings of the current research as the time perspectives play a vital role in determining the moral concerns (Agerström & Björklund, 2009) and (Eyal, Liberman & Trope, 2008).

Another, sub-objective of the study was to find out the difference of future time orientation and moral self-image in the adolescents of government and private schools. It was identified that there was significant difference in the future time orientation (t (298) = 3.40, p<.05) and government school’s adolescents showed better future time orientation. Previous research established the fact that students in schools were future oriented (Mello & Worrell, 2006). Further, a non-significant difference (t (298) = 1.02, p>.05) was exposed on moral self-image. The result was unlike literature that confirmed that school type influenced the morality and public school’s students lack morality (Javed, Kousar & Khan, 2010).

Lastly, another sub-objective of study explores the gender difference in the future time orientation and moral self-image. Results indicated that there was no gender difference in the future time orientation (t (298) = .62, p>.05) and the literature was opposite to the current study findings that confirmed that girls were more future oriented as compare to boys (Mello & Worrell, 2006). Furthermore, there was a significant gender difference revealed in the moral self-image (t (298) = -2.1, p<.05) with better moral concerns in females. The literature was in line with the result that identified gender difference in moral self-concept of person (Chui & Wong, 2016). Another, study stated that females had better moral self (Zhang, 2010) and same was evident in the present research. There was literature available that was inconsistent with current study finds and showed that girls had more present time orientation (Zimbardo, Keough, & Boyd, 1997).
5. Conclusion
It was concluded that future time orientation was the significant predictor of the moral self-image in adolescents. Further, there was difference in the future time orientation of government and private school adolescents with better future time orientation of government school adolescents. In case of moral self-image, there was no difference in the government and private school adolescents. Furthermore, on gender no difference was found on future time orientation. Whereas on gender there was difference in the moral self-image and girls had better moral self-image.

The study identified the importance of future time orientation in educational settings. It indicated that time perspective is an important area to be investigated by educationists and researchers in facilitating the education. Further, this study surely helps to aware the role of moral development of the children in the school system in Pakistan.

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An International Investigation of the Institutional Factors Driving Sustainability Assurance

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ABSTRACT

This paper investigates the impact of various factors associated with the adoption of sustainability assurance. Our objective is to find out the impact of country-level institutional factors (stakeholder orientation, voice and accountability, rule of law, investors’ protection and long-term orientation) on sustainability assurance. Extant literature is scarce at country-level and specifically does not address the impact of cultural orientation on sustainability assurance. This paper fills the gap and focuses on the cultural dimension (long-term orientation) in addition to other country-level institutional factors. Companies listed on the Sustainability Disclosure Database (http://database.globalreporting.org) constitute the population for this study. We filtered companies of large size from sustainability-sensitive industries which produced GRI-based reports in the year 2017. Our final sample comprised 196 companies from 41 countries. Using linear regression model, our results suggest that companies that are located in countries with weaker investor protections, greater rule of law, greater voice and accountability, and long-term orientation are more likely to adopt sustainability assurance whereas companies that are located in stakeholder-oriented countries are less likely to adopt sustainability assurance. This paper contributes to the existing literature by providing empirical evidence of the impact of cultural dimensions on sustainability assurance. Future research can explore other dimensions of culture and their impact on sustainability assurance.

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1. Introduction

At present, the World is facing a variety of sustainability issues including climate change, labour rights and shortage of water, global warming and destruction of forests. The world at present is estimated to abodes about 9 billion population but the resources on the earth are not sustained. Consequently, most of the peoples would not be able to fulfil their basic needs (food, cloth and shelter) of life. In such
circumstances, we need to manage and utilise our resources and activities optimally. To monitor the organizational activities and address the organizational performance for better serving stakeholders, accounting techniques may play an important role.

Traditional accounting methods are not adequate to achieve the desired result for the organizational operations and some alternative approaches ought to be employed to analysing and recoding the companies’ economic, social and environmental performances. Consequently, a set of substitute accounting policies such as sustainability reporting and their assurance to stakeholders may overcome these challenges and expand their operations on a more developed sustainable pattern.

Corporate sustainability reporting and assurance are modern terms introduced to support corporate to achieving a sustainable growth. Sustainability assurance is taken as dependent variable whereas variables like Stakeholders-orientation, Investors’ protection, Rule of Law, Voice and Accountability and Hofstede’s Dimensions (Long term orientation) as the likely factors affecting it. Some studies show negative results with sustainability assurance, others depict a positive relationship with them and some of them are even not sure about any relationship between them. Some countries more favourably adopt the independent third-party assurance over their sustainability reports to enhance the credibility of their firms by bearing an extra cost.

Most of the existing studies determine the relationship individually or take 2 independent variables with sustainability assurance. This study takes five country-level determinants to check the relationship with sustainability assurance. There is not any past study related to the Hofstede’s dimension relationship with the sustainability assurance.

The research questions of this study are:
- Do stakeholders-oriented countries adopt sustainability assurance or not?
- What is impact on sustainability assurance adoption in the countries where Investors’ protection deviates?
- Do Voice and Accountability affect adoption of sustainability assurance?
- What is impact on sustainability assurance in those countries where Rule of Law is stronger or weaker?
- Does Sustainability assurance, more or less is adopted in those countries which are Long-oriented (Hofstede’s Dimension)?

2. Literature Review & Hypotheses Development

The term “sustainability accounting” describes the usage of accounting and non-accounting policies to strengthen the sustainable development (Lamberton, 2005). The main focus of this study is to describe the phenomena of sustainability reporting and their assurance over independent third party. Fama and Jensen (1983) describe that mostly agency cost conflict arises due to information disclosure between different stakeholders. With adopting the practices of sustainability reporting, this barrier may be eliminated.

Sustainability reporting has gained considerable attention amongst multinational corporations around the world in last 20 years. Voluntary disclosures of information regarding economic, social and environmental effects of their implementations are main cause to initiate the sustainability accounting. Several studies recognize that there is rising awareness to implement the sustainability reporting practices in the organization. Around 85% results show from sample of 500 companies that companies were issued a sustainability reporting in 2010 (Junior et al. 2014)

These studies help to deliver the appreciated results because while testing the balance of sustainability reporting, there is reason to check other materiality issues. If issue is related to organization and
stakeholder values, then it must be considered as material. Only if companies fail to address material issues properly, then sustainability reporting can be described as a validity tool.

As non-accounting policies have surfaced, different problems are also initiated in the meanwhile, like reliability of reports. The reliability issues refer to another new market called third-party assurance of sustainability reports. The primary agenda of sustainability assurance is to create trust of stakeholders over reliability of reports. Sustainability assurances is relatively a new terminology as compared to sustainability reporting and have a broader domain with emerging practices which is growing along its several dimensions.

Numerous studies state that assurance positively impacts stakeholder’s perceived reliability regarding reports. Assurance provides additional benefits like improvements to system and processes which are grounds of sustainability reporting and continuously improvement in their quality. Different scholars claim that assurance does not only provide the credibility of sustainability reports but also depicts value added information to internal management.

On supply side, sustainability assurance market is designed with several various sustainability assurance providers (called SAPs) which are competing for a share of the market. SAPs providers are divided into two basic categories of accounting SAPs (ASAPs) and non-accounting SAPs (NASPs). ASAPs consist of “the Big Four accounting firms” which entered in the market for looking the additional income source. Over the time, the market share of ASAPs has continuously growing and placing them in a clear position in most countries.

ASAPs lemmatised the occurrence of sustainability assurance engagement to confirm the reliability and validity of information and data found in the sustainability reports. These engagement not involved the SAP assurance over the level of balance (i.e. disclosure over the material good news versus bad news) contained in the sustainability reports. NASAP are persuade to commence better scope engagements involved assurance over reliability of information also an evaluation of balanced sustainability reports. Many are doubtful of the ability of sustainability assurance to increase credibility of sustainability reports. As non-accounting reporting is emerged, new problems have risen in current time such as credibility and quality of reports (Guidry and Patten, 2010). Past studies on country-level determinants which affect the sustainability assurance are given below:

2.1 Stakeholder’s Orientation and Sustainability Assurance
Stakeholder’s theory suggests, “Business Corporations need to create a valuable relationship with all of their stakeholders, instead of only shareholders, and they endeavor to satisfy their informational needs through sustainability reports”. In recent years, the literature has given clear indications regarding the need to increase stakeholder involvement and participation in sustainability reporting processes. It has been considered that the quality of sustainability reporting is closely linked with the stakeholder engagement. Past studies show that stakeholder-oriented countries positively affect the credibility of sustainability reporting assurance (Romero et al. 2014, Wong and Millington 2014, Cheng et al. 2015). Hodge et al. (2009) argue that Australian students find that sustainability assurance statements positively affect the sustainability report credibility. Organizations which are operating in stakeholder-orientated countries where organizations value stakeholder views more than a shareholder views (Simnett et al. 2009) and countries which have not strong regulatory bodies are more likely to adopt sustainability assurance to encourage disclosure credibility (Kolk and Perego 2010, Perego and Kolk 2012).

Different evidences are observed that an insufficient level of stakeholder engagement is found in assurance processes. Initially O’Dwyer and Owen(2005), in their examinations into a different samples of assurance statements, found many uncertainties on intentions of those people who are assurance providers to engage stakeholders in assurance process. Now-a-days results of some studies have linked the firm
level and country level factors with the companies’ decision to adopt assurance or not on their Sustainability Reporting. In addition, different types of two studies recognized the broader stakeholder view and depend on current CSR reputation ratings (Birkey et al. 2016; Sethi et al. 2015). These studies proposed that CSRA decision and CSRA provider would lead to positive stakeholder reaction, such as high CSR reputation and increased market valuation. If a firm is CSR provider, this was result of positive stakeholder reaction (Casey and Grenier, 2015). Corporate social responsibility reports have been a main tool for corporations in developing the linkage with their stakeholders. CSRA decisions and the selection of big audit firms as a CSRA provider also leads to a positive stakeholder reaction (such as increased market valuation and high CSR reputation). According to the Casey and Grenier 2015; if the firm was the CSRA provider, there was possibility of positive stakeholder’s reactions, while (Sethi et al. 2015) found that firm size is negatively related to the stakeholder’s reaction.

In USA, 351 firm-year observations (2009-2010) found a positive result to conduct a CSRA with a dependent variable of stakeholder’s reaction. In Italy, 237 firms’ observations (2008-13) while adopting mix (legitimacy and stakeholder theory) found no significant result to conduct the CSRA (Fazzini and Dal Maso: Sustainability Accounting, Management and Policy Journal). Edgley et al.(2010) claim that engagement of stakeholders in assurance is likely to increase in future.

Mixed results from the past studies are found on the issue. This study hypothesizes as under:

H1: The countries which are stakeholder-oriented are more likely to adopt the third-party assurance over their sustainability reports.

2.2 Investors’ Protection and Sustainability Assurance

The level of Investor’s protection in a country also impacts various organisational practices in a country. It exerts extra pressure and incentivises managers to fulfil the demand of investors. Evidence on the impact of investors’ protection on sustainability assurance is mixed in existing literature. According to Herda et al. (2014), companies that operate in countries with weaker investors’ protection tend to adopt sustainability assurance (klapper and Love, 2004). Those firms which are weaker in investors’ protection are more willing to bear the cost to enhance credibility for shareholders (klapper and Love, 2004).

There is substantial variation in sustainability assurance scope and procedure (O’Dwyer and Owen, 2005, 2007). The main reason for this variation in assurance quality is that the reporting corporations have considerable engagement in selection of assurance procedures performed. Most of the studies indicate that those countries which are weaker in investors’ protection are more likely to obtain the assurance. We hypothesize that,

H2: The countries which are weaker in investors’ protection are more likely to adopt the third party assurance over their sustainability reports.

2.3 Rule of Law and Sustainability Assurance

In Business and legal environment, the role of other stakeholder groups is less emphasized. Prior research in accounting indicates that there is an increased demand for information on a firm’s financial performance. Tendency of rule of law have positive relationship with CSRA. After studying results, it can be interpreted that impact of rule of law and CSRA both have positive (Sethi et al. 2015; Simnett et al. 2009) and negative relationship (Kolk and Perego 2010; Perego 2009). A probable situation reveals that negative impact of enforcement on CSRA might be due to changing governance instrument in a weaker legal enforcement government.

696 Transnational firms (2007-2014) while adopting stakeholder agent theory with Country characteristics variables found positive result to conduct a CSRA (Martinez-Ferrero and Garcia Sanchez-International Business review). De Beelde and Tuybens-Business strategy and the environment found negative result to conduct a CSRA with sample of transnational (12 countries in Europe) of 227
companies while using stakeholder agent theory. Kolk and Pergo found negative result of legal enforcement to conduct CSRA in transnational (20 countries, 212 fortune and 250 global companies). Simmett et al(2009) found positive results to conduct CSRA while having legal enforcement in transnational (31 countries-2113 companies).

Different results are drawn from the literature like they conclude positive and negative relationship. Majority of studies shows the negative relationship and this study hypothesize as:

H3: The countries which have weaker tendency of rule of law are more likely to adopt the third-party assurance over their sustainability reports.

2.4 Voice, Accountability and Sustainability Assurance

Stakeholders require transparency of CSR reporting (Moneva et al. 2006; Ramus and Montiel 2005). Firms start to provide CSRA which would require third party to improve the accountability and credibility. The content of the assurance statements of CSR reports inspect the mark to which assurance practises cover the different issues of stakeholder’s interests and to maintain the corporate image to stakeholders. Accordingly, the main theme of previous studies is:

- The degree to which assurance statements uplift and maintain the corporate image and accountability to stakeholders.
- Others problems are highlighted and conferred to degree they linked with the problems of company accountability to their stakeholders.

Different studies on these problems are linked for various causes. Initially, early literature in the developing times of sustainability reporting and assurance, suggests that involvement of stakeholders and their interest are imaginary in the assurance process, it does not permit a firm view to the degree in which the phenomena is obstinate because, the practises of gaining the third party assurance statements over their sustainability reports was recently developed in which triple-bottom-line reports were emerged in their early stages. Latterly, due to drastic need to increase in demand for gaining the their party assurance of their CSR (KPMG, 2008), the practises of assurance has been comprised on the plan of various standard setting bodies and Not-for-profit companies. E.g., the IAASB have established an assurance standard. The not-for-profit organization accountability also established its own standards: AA1000AS. Additionally, the development of Sustainability Accounting Standards Board in USA in July, 2011, along with the emergence of integrated reporting (IR), it is perceived that problems of corporate Sustainability Assurance and their associates will gain high push. Additionally, the assurance practises in examined the greater development with the adaptability of growing trends in this segment. The SA is on early stages in its evolution (GRI2013) and research in this significant area contribute to the assurance practises and their standard setting process.

This study hypothesizes as:

H4: The countries who have stronger voice and accountability tendencies are more likely to adopt the third-party assurance over their sustainability reports.

2.5 Long-Term Orientation and Sustainability Assurance

No past study is found which assumed that companies situated in those societies which have a strong values of feminism, collectivism, tolerance of uncertainty and long-term orientation would be a higher commitment towards CSRA (Garcia-Sanchez et al. 2013). In our study we take a Long-term orientation dimension as our independent variable along others. We hypothesize that:

H5: The countries who have long-term orientation are more likely to adopt the third-party assurance over their sustainability reports.
3. Research Methodology
3.1 Population and Sample
All companies that are listed on the Sustainability Disclosure Database (http://database.globalreporting.org) constitute the population for this study. The sample (196 firms from 41 countries) of this study constitutes firms of large size only from 11 different sectors (Agriculture, automobile, aviation, chemical, computers, conglomerates, foods and beverages, forest and paper products, health care services, mining and tobacco). Large size Firms and sectors are taken as literature suggests that sustainability issues are more important for firms of large size and for these sensitive sectors. From the sustainability disclosure database, filtered data for the year 2017 is taken. Non-GRI reports were excluded.

3.2 Data Collection
This study identifies all sustainability reports using data base of global reporting published in 2017 of 11 different sectors which are agriculture, automobile, aviation, chemicals, computers, conglomerates, foods and beverages, forests and paper products, health care services, mining and tobacco. The final sample consists of 196 observations of 563 different organizations. 119 reports are assured out of 196 companies. Our study sample is reduced to 196 from 570 observations. This reduction is because sustainability information is either missing or presented in different languages (non-English).

3.3 Econometric Model
Econometric model of our study is,

\[ Assured_i = \beta_0 + \beta_1 INVPRO_i + \beta_2 ROL_i + \beta_3 STKHLDO_i + \beta_4 VOACC_i + \beta_5 HOFD_i + \epsilon_i \]

Where Assured : Sustainability Assurance (Dependent variable)
INVPRO: Investor Protection; ROL: Rule of Law; STKHLDO : Stakeholder’s Orientation
VOACC: Voice and accountability; HOFD: Hofstede’s Dimension Long-term orientation

3.2.1 Variable Description

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description (Source)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assurance (Dependent Variable)</td>
<td>Indicator consists of assured (%) of reports from Data base of global reporting,</td>
</tr>
<tr>
<td>Investor Protection (Independent Variable)</td>
<td>Investor Protection score is obtained from:</td>
</tr>
<tr>
<td></td>
<td><a href="https://tcdata360.worldbank.org/indicators/h2e15b0d6?country=BRA">https://tcdata360.worldbank.org/indicators/h2e15b0d6?country=BRA</a> &amp;indicator=647&amp;viz=line_chart&amp;years=2007,2017</td>
</tr>
<tr>
<td>Rule of Law (Independent Variable)</td>
<td>Rule of Law score is obtained from:</td>
</tr>
<tr>
<td>Stakeholders Orientation (Independent Variable)</td>
<td>Stakeholder’s orientation is binary variable. 1 for Stakeholders</td>
</tr>
<tr>
<td></td>
<td>oriented countries and 0 for others.</td>
</tr>
</tbody>
</table>
Voice and Accountability (Independent variable) | Voice and accountability are to be calculated from: www.govindicators.org


<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Kurtosis</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statistic</td>
<td>Statistic</td>
<td>Statistic</td>
<td>Statistic</td>
<td>Statistic</td>
<td>Statistic</td>
<td></td>
</tr>
<tr>
<td>Assured</td>
<td>41</td>
<td>0.00</td>
<td>1</td>
<td>.627</td>
<td>.310</td>
<td>-1.009</td>
<td>.724</td>
</tr>
<tr>
<td>HOFD</td>
<td>41</td>
<td>13</td>
<td>100</td>
<td>.520</td>
<td>.221</td>
<td>-.723</td>
<td>.724</td>
</tr>
<tr>
<td>INVPRO</td>
<td>41</td>
<td>4.2</td>
<td>8.3</td>
<td>6.437</td>
<td>1.0148</td>
<td>-.213</td>
<td>.724</td>
</tr>
<tr>
<td>ROL</td>
<td>41</td>
<td>.28</td>
<td>.97</td>
<td>.6546</td>
<td>.167</td>
<td>-1.013</td>
<td>.724</td>
</tr>
<tr>
<td>VOACC</td>
<td>41</td>
<td>6.90</td>
<td>100</td>
<td>.667</td>
<td>.280</td>
<td>-.771</td>
<td>.724</td>
</tr>
<tr>
<td>STKHLDO</td>
<td>41</td>
<td>0</td>
<td>1</td>
<td>.71</td>
<td>.461</td>
<td>-1.164</td>
<td>.724</td>
</tr>
</tbody>
</table>

This table explains the descriptive statistics of the sample companies. In this table, we describe mean value, minimum, maximum and standard deviation of each variable and this indicates normality of the data.

Minimum value of Assured (Sustainability Assurance) is 0 while maximum value is 1, and mean statistics is .627. First independent variable is HOFD (Hofstede’s dimension-Long Term Orientation). Its minimum value is 13 and maximum value is 100 whereas mean statistics are .52 and standard deviation is .221. Second independent variable is INVPRO. It ranges from 4.2 to 8.3 with mean of 6.4 and standard deviation of 1.01. ROL (Rule of Law) is the third independent variable. Its minimum value is .28 and maximum value is .97, mean statistics is 0.655 and standard deviation is .167. Its data shows normality behaviour as its standard deviation<mean statistics. Fourth independent variable is VOACC (Voice and Accountability) which ranges from minimum statistical value of 6.90 to maximum value of 100, with mean statistics of .667 and standard deviation is .28. Our data is normal in behaviour because mean statistics is greater than the standard deviation. The last and fifth independent variable is STKHLDO (Stakeholders orientation). Its minimum statistical value is 0 and maximum 1 while its mean statistics is .71 and standard deviation is .461. The results interpret that the data is normal in behaviour because its mean statistics is greater than the standard deviation.
4.2 Correlations

<table>
<thead>
<tr>
<th></th>
<th>Assured</th>
<th>HOFD</th>
<th>INVPRO</th>
<th>ROL</th>
<th>VOACC</th>
<th>STKHLD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assured</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.266*</td>
<td>-.311*</td>
<td>-.004</td>
<td>.235</td>
</tr>
<tr>
<td>HOFD</td>
<td>Pearson Correlation</td>
<td></td>
<td>1</td>
<td>-.225</td>
<td>.228</td>
<td>-.029</td>
</tr>
<tr>
<td>INVPRO</td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td>1</td>
<td>.105</td>
<td>.086</td>
</tr>
<tr>
<td>ROL</td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>.753**</td>
</tr>
<tr>
<td>VOACC</td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>STKHLDO</td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (2-tailed).
** Correlation is significant at the 0.01 level (2-tailed).

This table explains the correlation among all the variables. Our dependent variable is Assurance and remaining five are independent variables. Sustainability Assurance has significant positive relationship with Hofstede’s dimension (Long term Orientation) and positive insignificant relation with VOACC as well as with stakeholder-orientation. The assurance is significantly negatively correlated with Investors’ protection and has an insignificant positive relation with rule of law.

4.3 Regression Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>t-value</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>107.31</td>
<td>33.82</td>
<td>3.17</td>
<td>0.003</td>
</tr>
<tr>
<td>HOFD</td>
<td>0.57</td>
<td>0.22</td>
<td>2.62</td>
<td>0.013</td>
</tr>
<tr>
<td>INVPRO</td>
<td>-7.49</td>
<td>4.37</td>
<td>-1.72</td>
<td>0.095</td>
</tr>
<tr>
<td>ROL</td>
<td>-118.73</td>
<td>42.07</td>
<td>-2.82</td>
<td>0.008</td>
</tr>
<tr>
<td>VOACC</td>
<td>0.87</td>
<td>0.25</td>
<td>3.49</td>
<td>0.001</td>
</tr>
<tr>
<td>STKHLD0</td>
<td>9.22</td>
<td>9.90</td>
<td>-0.93</td>
<td>0.358</td>
</tr>
</tbody>
</table>

R-Square: 0.36
Adjusted R-Square: 0.27
Durbin-Watson: 2.21

Adjusted R-square is 0.27 which means that overall effect of the opted independent variables is modest on the sustainability assurance and some other variables also affect the assurance level of the companies.

4.4 Result Analysis

According to level of significance we conclude that,

- First hypothesis: “The countries which have long-term orientation are more likely to adopt the third-party assurance over their sustainability reports” is accepted.
- Second hypothesis: “The countries which have weaker investors’ protection are more likely to adopt the third-party assurance over their sustainability reports” is accepted.
Third hypothesis: “The countries with weaker tendency of rule of law are more likely to adopt the third-party assurance over their sustainability reports” is accepted.

Fourth hypothesis: “The countries having stronger voice and accountability tendencies are more likely to adopt the third-party assurance over their sustainability reports” is accepted.

Fifth hypothesis: “The countries which are stakeholder-oriented are more likely to adopt the third-party assurance over their sustainability reports” is rejected.

5. Conclusion
The main objective of this research study is to check the relationship of country level determinants with the independent third-party assurance over their sustainability reports. Earlier studies show that some authors find one-to-one relationship with the sustainability assurance and no past studies are found related to the Hofstede’s dimension with the sustainability assurance. In our study, we find the relationship of the Hofstede’s dimension (Long-term orientation) with the sustainability assurance and conclude that those countries who have long term orientation are more likely to adopt the sustainability assurance over their sustainability assurance.

The findings indicate that companies which are situated in those countries which are long-term oriented are more likely to adopt the CSRA. Secondly, companies which are operating in those countries which have weaker investors’ protection adopt more CSRA to increase their credibility by bearing the extra cost. Thirdly, companies which are operating in countries with weaker tendency of rule of law are also more likely to adopt the CSRA. Fourth, those companies which are operating in those countries who have stronger voice and accountability tendencies are more likely to adopt the CSRA. Lastly, the companies which are operating in stakeholder orientated countries are less likely to adopt the CSRA.

Results however signal that companies preparing reports better manage their credibility through the assurance. Conclusively, sustainability assurance is more relevant. This relevancy might play an important role in motivating the companies that do not prepare reports.

References


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Management Implementation of Batik SME Strategy in JAMBI

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ABSTRACT

This study aims to determine the competitive advantage of SMEs, which are associated with the management process strategy of internal and external sides of SMEs. Conducted on Jambi batik area SMEs which were selected in a sample by purposive sampling. Data collection was done by using observation, interviews and FGD on 6 SMEs selected by purposive sampling. Research analysis is carried out qualitatively, by implementing the results of SWOT analysis. Which aims to develop strategies that must be done by SMEs in making decisions to excel in competition. Identified 24 strategies that need to be done by SMEs in running the business optimally, so that they can face competition with other business sub-sectors and Jambi batik SMEs can continue to have competitive advantages.

Keywords
Strategy Management, Internal, External, SWOT

JEL Classification:
L10, M11, M19

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1. Introduction

One of the assets that gives value to economic progress in Indonesia is SMEs. The existence of SMEs not only be able to accommodate the absorption of labor which is quite a lot, but also a source of revenue to the public welfare. For this reason, SMEs need to get great attention from various parties. Both from the business actors themselves, the government, and the society.

Business actors need to pay attention to strategic management in achieving organizational goals that have been set. Strategic management allows organizations to be more proactive than reactive in shaping their own future; and exercise control over his own destiny (David, 2003). Strategic management consists of analysis, decisions and actions taken by an organization to create and maintain competitive advantage. Through the process of strategic management of external and internal factors, an organization can identify critical threats and opportunities in its competitive environment. Examining how competition in the environment might evolve, what implications evolution has for threats and opportunities of an organization, identifying organizational strengths and weaknesses based on SWOT analysis (Barney and Hesterly, 2006). SWOT analysis is a simple but powerful tool to measure the ability of organizational resources and deficiencies, market opportunities, and external threats to its future (Thompson et al., 2007). SWOT Analysis is a strategic planning tool used to evaluate the strengths, weaknesses, opportunities and threats of an organization. Providing information that is very helpful in matching organizational resources and capabilities with a competitive environment.
An organization needs to harmonize internal activities with external reality to be successful. The SWOT analysis provides a framework for analyzing internal strengths and weaknesses and external opportunities and threats. Helps minimize weaknesses and take advantage of the best opportunities available. The results of, considering external and internal factors are very important because they clarify the world in which the business or unit operates, making it possible to get a better picture for the desired future (Pahl and Richter, 2009; Hill and Westbrook (1997); Cojanu and Bilbor, 2007: 164; Sarbah and Otu-Nyarko, 2014:236-237; Kew and Stredwick, 2010; Sevkli, 2012: 15; Brad and Brad, 2015. Weihrich (1982). For this reason the research was conducted on batik UKM in Jambi, so that a comprehensive assessment of external and internal factors can be determined to determine the competitive position of batik SMEs today and the potential growth of SMEs.

The problems that will be examined in this research are: How is the most appropriate strategy implementation for Jambi batik SMEs, by conducting internal analysis (Strength, Weaknesses) and external (Opportunities, Threats). The research objective is to analyze the strategies that need to be done by batik SMEs to excel in competition.

2. Literature Review
Management process strategies was evaluation with internal and external condition in SME’S done and implementations. With the internal and external factors that can be affect in their activities. The evaluated process by SWOT. Kotler (2012), SWOT analysis is is an evaluation of the overall strengths, weaknesses, opportunities, and threats. "Through this analysis, SMEs can analyze patterns of strengths and weaknesses, and business units do not have to correct all their weaknesses or utilize all their strengths. In developing the strategy, it must first identify various factors that systematically maximize strengths and opportunities, and minimize weaknesses and threats. This analysis is called SWOT analysis, with definitions shown in Tables 1 and 2. (Zimmerer, Scarborough & Wilson; 2008).

Table 1. Identification of Strengths & Weaknesses of a Company

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive internal factors that a company can use to accomplish its mission, goals, and objectives.</td>
<td>Negative internal factors that inhibit the accomplishment of a company’s mission, goals, and objectives.</td>
</tr>
</tbody>
</table>

Identification of Company Opportunities and Threats

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive external option that a firm can exploit to accomplish its mission, goals, and objectives.</td>
<td>Negative external forces that inhibit a company’s ability to achieve its mission, goals, and objectives.</td>
</tr>
</tbody>
</table>

3. Research Methodology
The research was carried out in February to September 2018. The locations of the study is in some batik SMEs such as Kampung Tengah, Ulu Gedong, Tanjung Pasir, which are traditionally managed in Jambi City. 4 SMEs were selected as samples by purposive sampling, namely by being based on businesses in the category of SMEs (Small - Medium Enterprises). The production process of jambi batik is still using conventional methods, not using modern equipment / machinery. This research activity includes:
Table 2: Research Activities

<table>
<thead>
<tr>
<th>Year I</th>
<th>Type of activity</th>
<th>Activities</th>
<th>Activity Results</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Market Survey of Jambi batik</td>
<td>Observation, draft interview</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Literature Study</td>
<td>SWOT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Observation and interview</td>
<td>Record the location of batik</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SMEs</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Record the Problems of SMEs</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Primary data and secondary data to find</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>about the strengths, weaknesses, opportunities and threats</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Activities carried out</td>
<td>Field survey and FGD to MSMEs, Koperindag service, material distributors and consumers</td>
<td>Develop a marketing strategy design and SWOT analysis of SME’s batik Jambi</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Designing a SWOT strategy model</td>
<td>Implementation of Evaluation results, Pilot project: to develop a strategy</td>
</tr>
</tbody>
</table>

Various sources can assist in the preparation of research that will later be prepared and processed to strengthen the analysis. According to Lofland and Lofland in (Moleong, 2002), the main data sources in qualitative research are words and actions while the rest are additional data such as documents and others.

3.1 Data sources

3.1.1 Primary Data Source

Primary data is data obtained from the first source either from individuals by interviews or filling out questionnaires that are usually done by researchers (Umar Husein: 2000). Primary data in this study were obtained through in-depth interviews and direct observation on batik SMEs Jambi.

![Figure 1.Overview of Respondents](image)

3.1.2 Secondary Data Sources

Secondary data is research data obtained by researchers indirectly or through a media intermediary (obtained and recorded by other parties). The data used in this study are data from literature study, Jambi Koperindag Office.
3.2 Analysis Method
To answer the problems faced by batik SMEs that have been selected as research samples, the following analytical methods are used: SWOT analysis is an analysis carried out by describing the implementation of marketing strategies through strengths, weaknesses, opportunities, and threats. The Strength-Weakness-Opportunity-Threat (SWOT) matrix is an important tool to help managers develop four types of strategies, namely SO (strengths-opportunities), WO (weakness-opportunities), ST (strengths-threats), WT (weaknesses-threats).</p>

4. Results and Discussion
Analysis of UKM Batik Jambi Profile Based on data from the Koperindag (Department of Cooperatives, UMKM, Industry and Trade Office) of Jambi Province. One of the centers of Jambi batik craft is located on Jalan KH M. Ja'Far Mudung Laut, Seberang, Jambi. Based on the survey results to the Department of Koperindag, the attached data on Jambi batik SMEs in the province up to 2017, shows the number of batik by approximately 80 craftsmen. But only about 55 craftsmen are still active. The collection of results of these craftsmen is mostly displayed and sold to batik studios. As a craft center, they have a community called 'Koperasi Kajang Lako' which is chaired by Mrs. Ida. It is this cooperative that has duties, among others; fostering members (UMKM), marketing batik products together, holding / participating in exhibitions, improving HR skills and initiating seeking government support. The atmosphere outside and inside the studio and the types of batik offered are:

![Figure 2. Centra Batik Jambi](image)

5. Implementation and Evaluation of Strategy Models
Through the results of the assessment of strengths, weaknesses, opportunities and threats. After knowing the position of the Batik Jambi UKM at this time, then the SME strategy factors were developed using the SWOT matrix (Table 5.1).

![Table 3 Development of Competitive SMEs Batik Strategies](table)

<table>
<thead>
<tr>
<th>Internal Factor</th>
<th>Strengths(S)</th>
<th>Weakness(W)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Jambi has a central business unit of batik centered in the studio</td>
<td>1. There has been no collaboration between craftsmen and CRS and banks</td>
<td></td>
</tr>
<tr>
<td>2. Having long batik skills and descending</td>
<td>2. Limited capital</td>
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<tr>
<td>3. Good quality of batik</td>
<td>3. Many still use traditional methods so that it takes longer</td>
<td></td>
</tr>
<tr>
<td>4. Batik motifs that depict the historical kingdom of Malay and quite a lot</td>
<td>4. The cost of raw materials is quite expensive and causes high selling prices that are difficult to compete with Javanese batik</td>
<td></td>
</tr>
<tr>
<td>5. Batik coloring is a natural business</td>
<td>5. HR is inadequate to produce large scale</td>
<td></td>
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<tr>
<td>6. Good relationships with customers</td>
<td>6. Do not cooperate with dressmakers</td>
<td></td>
</tr>
<tr>
<td>7. Jambi batik enthusiasts who have started from outside the island of Sumatra</td>
<td>7. Difficulties in innovation for women's clothing ready for use</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>External Factor</th>
<th>Opportunity (O)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Empowering craftsmen groups</td>
<td>S-O</td>
</tr>
<tr>
<td>2. There are local government programs</td>
<td>W-O</td>
</tr>
<tr>
<td>1. Bring it closerbanking and</td>
<td></td>
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</tbody>
</table>

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facilities: batik houses or studios, exhibition sponsors, assistance and coaching.
3. Modern technology for increase market expansion
4. Centra- batik which is centered on the Batanghari River region, can become a tourist attraction and attract tourists to visit
5. The market for batik is increasingly widespread

<table>
<thead>
<tr>
<th>Batik to be more optimal</th>
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</thead>
<tbody>
<tr>
<td>2. Increasing guidance on young genres to learn batik</td>
</tr>
<tr>
<td>3. Innovating more modern motives</td>
</tr>
<tr>
<td>4. Using modern technology to increase production</td>
</tr>
<tr>
<td>5. Maintaining product quality</td>
</tr>
<tr>
<td>6. Develop a business using capital assistance from government</td>
</tr>
<tr>
<td>7. Government assistance in promoting batik center</td>
</tr>
</tbody>
</table>

Threat (T)
1. Competitors who imitate the Jambi motif with low-priced products
2. Overseas competitors with modern product concepts
3. Price of raw materials for making batik is high
4. Variable models of finished products of batik from Java

<table>
<thead>
<tr>
<th>S-T</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Give protection to creativity Batik products</td>
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<tr>
<td>2. Provide information on quality standards For products</td>
</tr>
<tr>
<td>3. Improve quality service to customer</td>
</tr>
<tr>
<td>4. Conduct business partnerships</td>
</tr>
<tr>
<td>5. Improving models of finished products that are more creative and innovative</td>
</tr>
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5.1 S-O Strategy
The S-O strategy column is a strategy that uses power to take advantage of opportunities.

Some strategies that can be used regarding this strategy are:

- Empowering Batik craftsmen groups to be more optimal Geographically the business group is centralized in the neighboring city, TelukTeluk. This partnership can be easily collected, monitored and evaluated for the existence and development of its business. Problems faced by craftsmen can be easily resolved. Considering this group is centralized in the batik studio.For this reason the local government must continue to monitor the existence of each permit group to be more advanced and developed.

- Improving guidance for the younger generation to learn batik Sustainability of batik SMEs is very dependent on the next generation. The tendency of Jambi batik comes from generation to generation, and some have even started a business from the third generation. However, not all batik makers have future generations. For that, the existence of homeschooling for free can be an activist for the younger generation to love to make batik.

- Innovating more modern motives the tendency of monotonous batik motifs and every craftsman is less innovative about the motives made. This makes consumers become saturated. For this reason, a new motive effort is needed which combines classic motifs and modern motifs. Like the sanggat boat motif, peacock, glass plate, broken durian can be made more modern with coloring that is adjusted to the current consumer tastes.

- Using modern technology to increase production the batik production process is carried out in a simple, traditional way so that it is more time consuming. If craftsmen can use more modern technology, it can save working time. Likewise with the design, the combination of colors. To be more attractive, you can use computerized software or software, including marketing activities. Although some pemakik have been able to do online marketing, but it has not been done optimally. Need to be done further learning.
• Maintaining product quality management's attention to quality is now good enough, so what needs to be improved is socialization to lower level employees, especially for employees who are directly related to production. This can be done by utilizing the existing organizational structure until the company policy is truly understood and implemented in the field. Equally important is to provide an explanation of the importance of maintaining product quality and the reasons why employees must do so. In this way, it is expected that employees can maintain product quality at each stage of the production process on the basis of their own awareness. Likewise, the cohesiveness between the drivers is also needed to maintain the quality image of batik from Jambi.

• Developing a business using capital assistance from the government in general, the problem of SMEs in developing a business is capital, the difficulty of getting fresh funds is almost experienced by all batik craftsmen. Meanwhile for bank credit applications require collateral. Which sometimes does not have craftsmen. So that the hope of the government can help fresh funds with soft interest or from CSR programs of private companies.

• Increasing procurement promotion in the center of batik the group of Jambi batik craftsmen have been seen, in Sanggar batik.(batik studio) But the existence of the studio has not fully touched the attention of many people. So that this batik center needs to be published its existence through various promotions can improve the center of batik. Like holding various events. Or other promotions to attract the attention of the public visit the batik center. Along the batik center road, we need to install a sapandu banner. So that the existence of batik center can be known.

5.2 W-O Strategy
The W-O strategy column is the strategy used by companies to overcome the weaknesses of the company by taking advantage of opportunities. Some strategies that can be done are:

• Bring closer to banks and local government programs and assistance to strengthen business capital. People's Business Credit (KUR) socialization, requirements for applying for business loans need to be made to SMEs, especially most SMEs do not understand the terms and conditions of credit application. KUR socialization, requirements for applying for business loans need to be made to SMEs, especially most SMEs do not understand the terms and conditions of credit application.

• Perform efficiency to reduce the company's operating costs the high selling price is closely related to the costs incurred during the production process, ie the higher the cost of production per unit of product, the sale price will be higher. This resulted in the difficulty of the product to enter the market, coupled with the economic conditions of the people who were generally still in a crisis. The high selling prices of these products can be overcome by making efficiency during the production process. Direct efficiency can be done by reducing costs that are deemed unnecessary and not too urgent to be issued. Indirect efficiency can be done by monitoring product quality more tightly so that the percentage of products with good quality categories can be increased and ultimately have a significant effect on the acceptance of the craftsmen. Efficiency can be done by optimizing the existing production capacity.

• Improve the quality of human resources, skills and training for workers Conduct training for employees to maintain raw materials that do not occur during the production process. So that no product material will be recorded. Likewise, batik results will be better. Good batik results will have an effect on the selling price of the product. For this reason, the workforce continues to be improved in its capabilities and productivity. Besides that, they are also looking for experts because there are few people who can and want to make batik and limitations.

• Developing networking with similar companies, both the same scale and greater The strategy of developing networking with similar companies, both the same scale and greater scale is a strategy developed by the company in the face of considerable market demand. This networking is built based on togetherness, honesty and product similarity, while with larger companies, this strategy is used to build a broader market and maintain products produced by SMEs.
• Increasing promotion by making advertisements on the internet the first step that needs to be done with regard to promotion is to make the products that are easily recognizable on the market. This can be done in certain market segments, by introducing product identities that differentiate them from the same products from competitors, for example making attractive packaging with clear craftsman identity. With several advantages of product quality introduced through promotional media, consumers will easily recognize the product in question on the market. Coupled with the existence of the internet, craftsmen can easily promote products evenly online. So that Jambi batik craftsmen can be known; in foreign countries. Like the AZMIAH Jambi batik, the existence of batik has penetrated foreign markets.

• Improving marketing performance in analyzing market demand the marketing section of a company is likened to the spearhead of the company, where the performance of this section has a real influence on the acceptance of SMEs. The effectiveness of marketing performance can be done with a marketing mix approach by evaluating the extent to which the application of product strategies, prices, promotions and distribution can influence consumers to make purchases. The market share outside Jambi is still very potential to be developed and so is the export market share. If deemed necessary, the craftsman can make changes to marketing strategies that are more relevant to the existing conditions to be able to reach potential market share with the existing price, promotion and distribution approaches, because the products produced are considered good enough and can be accepted in various market segments. Offer products to organizations or groups of work groups such as schools, private companies or government in serving the making of batik uniforms.

5.3 S-T Strategy
The S-T strategy column is a strategy that uses the strength of the company to avoid the threats. Strategies that can be carried out by the company are:

• Give protection to the creativity of Batik products the products produced by the craftsmen always get protection. Especially regarding copyright. Because batik products are easy to imitate. Motives and designs should be patented. so that it can be protected from peeling threats.. Craftsmen's concerns can be overcome if the government provides legal protection assistance for the creation of craftsmen.

• Provide information on quality standards for products to cover the product in order to continue to create good quality, a standard is needed. Information from quality standards can support the sale value of products. Consumers will be more confident and confident in using the product. In addition; the entry of new competitors does not become a heavy problem for craftsmen, if they already have clear quality standards. So that what is expected is the permission to increase consumer interest will be realized. Because consumers want quality products. Batik UKM always prioritizes the quality of the products produced, both in terms of design, color, and variety of shapes or sizes.

• Improve the quality of service to customers customer service is important to pay attention to. Through service that can satisfy customers will have an impact on customer loyalty? In general, customers who come in are difficult to reach homes and craftsmen production sites. Because most craftsmen produce in the alleys and are less visible to visitors. Therefore, the sale of the results of the craftsmen is more focused on the batik studio which is more strategically located. While at the studio itself it opens a little late, and even looks quiet. Therefore, efforts need to be made to increase the utilization of the studio in providing better services to customers.

• Conduct business partnerships this is important to maintain the sustainability of production. Raw materials for example, companies do partnerships with farmers (silkworms) or natural silk craftsmen. In the marketing pattern, companies conduct marketing with various parties, including small traders, medium and large traders, shops and participating in exhibitions carried out by the Industry and Trade Agency, the Cooperative Service and small businesses, KADIN and other relevant agencies.

• Improve models of finished products that are more creative and innovative in general, craftsmen almost have the same motive, even coloring is almost similar. This condition will add to the increasingly severe competition. On the other hand, every craftsman has their own characteristics and virtues. This gives excellence to craftsmen. But consumers have properties that are easily saturated, so that craftsmen need to be more innovative both in terms of design, motives and coloring. Improving products becomes more innovative,
because generally only sell materials, it is necessary to create ready-made products that are more variant of the model. Especially for women's clothing. Because most craftsmen only provide men's shirt clothes. So that the market for women's products has not been fulfilled.

5.4 W-T Strategy
The W-T strategy column is the company's strategy to try to minimize the weaknesses that the company has in avoiding existing threats. The strategies that can be done are:

- Improve regional infrastructure. The condition of the location of the pengajin is mostly across the city, located quite far from the city. And there is a back or side along the Batanghari River. As a means of tourism which is quite good. However, facilities and infrastructure along the river are not adequate.

- Develop policies for developing tourist cities along the Batanghari River as well known the long river is Batang Hari, needs to be managed and reorganized into a pleasant tourist attraction. Starting from the cleanliness of the environment, parks, means of transportation, security, and culinary places. Most of the batik makers come from this area and it is located inside so there needs to be a stand in the area along the river.

- Increase capital by making loans to the government through BUMN (State-Owned Enterprises, SOEs) one of the obstacles to business development is capital. Craftsmen complain that the lack of venture capital makes them difficult to develop. Opening up of rotating funds for business development through cooperation with SOEs. SOEs can hold foster children to promote batik SMEs and soft loans that do not complicate craftsmen.

- Increase the use of promotional media some craftsmen have started promoting products online, even having their own websites. But most of the craftsmen did not promote their products. Coupled with the condition of the craftsmen's house that is not on the side of the road (into the alley). For this reason, the local government has been able to take steps to accommodate the results of the craftsmen to the Batik Studio. But the existence of the studio is still managed not optimally. There needs to be promotions and event events, at least 2 to 4 times a year. This hasn't been done yet. Besides that, there are no banners along the road, which show the batik village area. This is important to be done to provide direction for migrants. Procurement of exhibition fairs.

- Add more dispersed distribution channels this strategy is carried out so that products are widely known by consumers in the face of many competitors and substitute products. This strategy can be done by expanding and enlarging the marketing area, namely by entrusting products to fashion companies, such as factory outlets, boutiques and other companies.

6. Discussion
Most of the craftsmen are located in the city of Sebrang Jambi, precisely behind the Batanghari River. Is a gathering place for batik houses which is also a place to live. The craftsmen make batik mostly use garages, residential houses; certain space which is used as a place for the production process until finishing. So the space is very limited. For this reason, many batik processes are also carried out by using freelance employees. Because it is impossible to accommodate large numbers of employees, this condition is related to the limited space / space available in the home of the business owner. The situation doesn't have the garment itself. In an effort to maintain and develop the batik business, Munizu (2010) that the problems of SME development are related to factors and external issues related to aspects of strengths, weaknesses, opportunities and threats to the determination of the development and growth of SMEs Lesceviva (2004). The results of the description and analysis of the strengths, weaknesses, opportunities and threats of batik SMEs that were chosen in the pilot project showed a variety of variations. But almost have the same opportunities and threats. From the results of the SWOT analysis, there are 25 strategies that must be done by SMEs.

7. Conclusion
Through the analysis that has been conducted in this study it can be concluded that: Implementation of the strategy management process on the assessment of internal and external factors includes several strategies that need to be done in achieving competitive advantage for UKM Batik Jambi. In the S-O position, there are 7 strategies that must be done for SMEs in conducting competitive business. In the W-O position there are 6 strategies that must be done for SMEs in doing competitive business. In the S-T position. There are 5 strategies that need to be done for SMEs
in conducting competitive business. In the W-T position, there are 5 strategies that must be done for SMEs in conducting competitive business.

8. Suggestion
  - Make batik centers a more attractive tourist destination. Because the position of batik centers is very strategic, to become a tourist attraction.
  - Enhance the promotion of batik centers, to attract the attention of foreign tourists.
  - Develop batik motifs and packaging better.

References
The Impact of Economic Integration and Economic Growth on Environmental Degradation in South Asian Countries

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<th>ARTICLE DETAILS</th>
<th>ABSTRACT</th>
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<tr>
<td><strong>History</strong></td>
<td>Economic integration has been acclaimed as a way to increase world output grounded on the economies of scale and the exchange of technology, ideas and information. However, it is of great concern that the impact of integration may have on the increase in threats to the environment, natural resources and human health, due to the implicit improvement in economic growth. Two main channels through which integration contributes to the growth of the literature have been identified as foreign direct investment and trade. This study explores the effects of economic integration and economic growth on environmental degradation in the years 1995 to 2015. This study was conducted using the panel data. We apply panel unit root, co-integration tests, and Pooled mean group model to examine the short and long-run relationships among economic integration, economic growth, and the environment in five Asians countries named Pakistan, India, Sri-Lanka, Bangladesh and Nepal. The results of the Pooled Mean Group Model found that there is a long-term relationship among the projected variables for the whole sample. Long run results of Pooled Mean Group model showed that economic growth and foreign direct investment have substantial and positive effect on environmental degradation while trade openness has negative but significant influence on environmental degradation. On the basis of our findings, economic integration indicates that developing countries need to formulate a sound environmental policy to improve environmental impacts on the environment. The trade-induced environmental selection effect can be controlled by creating a competitive environment in the selected regions that can be secured by focusing more on intra-industry trade.</td>
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<tr>
<td><strong>Keywords</strong></td>
<td>Economic Integration, Environment, Growth, Trade liberalization, Foreign Direct Investment</td>
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<td><strong>JEL Classification:</strong></td>
<td>F02, O47, O49, P33</td>
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1. Introduction
Integration has generated an emergent inter-dependence between economies as well as societies through cross-border stream of goods and services, technology, ideas, information, people and capital (Esty&Ivanova,2004). Globalization has been hailed as generating economic opportunities besides stimulating economic growth in
pretentious economies. This economic growth also assumed assistance by providing essential financial resources intended for environmental safety through newly adopted environmental lawmaking that may be used as well as reinforced effectively in order to ensure sustainable development. Nevertheless, the influence of integration ought to increasing the threats to environment, resources and health of human beings, due to the implicit enhancement in economic growth. Conferring to Esty (1994), “trade liberalization would stimulate economic growth, thus aggravating environmental degradation”.

Even though economic integration exceeds trade, international trade is a key catalytic agent for growth. Trade is essential forunder-developing economies as well as for developed nations for the reason that developed economies source raw materials which are essential for ample capital from developing economies whereas developing economies provides technical knowledge and capital goods of these industrialized economies of globe.

South Asian Association for Regional Cooperation (SAARC) comprises on eight countries are characterized by relatively high population densities, low per capita income and literacy rates and the unplanned use of technology in various sectors that causes environmental degradation. Conventional wisdom is that higher economic growth requires huge cause’s higher emissions and, in turn, degrades environmental pollution and threatens the sustainability of the environment. Today, climate change and global warming attracted considerable attention throughout the world.

In South Asia, winter brought some major misfortunes. The thickness of smog in some cities wreaks havoc with mobility and air traffic. This problem is the result of the burning of fossil fuels, biomass, diesel, plants, power plants and dust, and the cold winter aggravates it. According to the Meteorological Department of India and Nepal, the intensity and duration of days affected by smog have increased over the past decade. People suffer from lung and respiratory diseases. World Health Organization assessments that 2.4 million individuals decease every year due to air-pollution and 1.5 million of these deaths are because of inner air-pollution. Dhaka, capital of Bangladesh, shows an air pollution index as high as 40% reported by the BBC. Pollution is likely to increase in India over the next few years as its energy demands rise. Environmental effects such as earthquakes, floods, fire blasts and epidemics in South Asia over the last two decades have forced economists and environmentalists to seriously face the deterioration of the environment.

The relationship among economic growth (measured as Real GDP percapita) and contamination, among economic growth and openness of trade, has been investigated in depth over last two epochs. However, as economies around the globe continue to mature and progress, there is growing concern in illuminating the dynamic association between these variables.

**Research Questions:**
The present study investigates the impact of economic openness, economic growth and foreign direct investment on environmental quality in long run for five Asian countries. Such information would enable policy makers to make sound decisions on issues concerning economic growth and environmental protection.

**Objective of Study:**
Study aim to found link among economic growth, economic integration and environmental degradation by focusing on a sample of five Asians economies environment for time span 1995-2015 with following objectives:-

- To find the impact of economic growth on environment degradation in five Asian countries
- To find the impact of economic openness and foreign direct investment on environment degradation in five Asian countries
- To estimate a long-term relationship among CO2 emissions, GDP, and economic integration

**Hypotheses:**
Following are the hypothesis of this study:

Ho1: Gross Domestic Product has no significant impact on environment degradation
Ho2: Economic integration has no significant impact on environment degradation
Ho3: Gross domestic product, foreign direct investment and economic openness have no significant long-term relationship between environmental degradation
Significance of study
Why it’s interesting to study link among economic growth, economic integration and environmental degradation?
The discussion emphasized on two divergent (but interrelated) concerns (Huang and Labys, 2001). The first, according to the Kyoto Protocol agenda, is upward tendency in carbon emanations. The utmost chief challenge for environmental policy is to minimize these emissions. Second key problem is trade openness, which is likely to boost GDP growth, but can upsurge contamination.

This study critically examines the arguments in favor and in contradiction of the study of inconsistency among the upsurge in trade, investment and maintenance of ecologically-friendly development model. The study is established with a focus on two crucial lines. To achieve these goals, we will analyze a complete set of five “Asian economies, Pakistan, Sri Lanka, India, Nepal and Bangladesh” using co-integration and error correction techniques. To my best knowledge, there are only few empirical studies that targets the associations among economic growth (GDP), economic integration (FDI, Trade openness) and environmental degradation across five Asian economies, because most of the literature just focused on economic growth and environment or trade and environment but none of the study made to check influence of Trade openness, FDI and growth on environment specially in case of SAARC region.

2. Literature Review
A logical and systematic review of the literature enabled the study to evaluate the extent to which trade liberalization and foreign direct investment (FDI) impacts in terms of growth and integration with Asian economies development. A review of results of relevant studies conducted in various countries has been presented in the following section.

During the period 1985-2000, Mexico shifted from the closed to opened economies in the world. However, this sort of economic integration had ramifications on the environment and the levels of degradation have been examined by Kevin and Gallagher (2004). This paper mainly draws on two theories of economic literature: named ‘Environmental Kuznets Curve’ (EKC), and ‘Pollution Haven Hypothesis (PHH). Strong advocates of liberated trade when it comes to North America Free Trade Agreement (NAFTA), in the lights of EKC, argue that economic integration in countries like Mexico would lead to an improvement of the environment. On the other hand, the opponents of free trade contend that it has automatically led to deterioration of the environmental conditions in developing countries.

McCartney and Adamowicz (2006) depict a central theme working towards increased revenue and promotion of economic growth when discussing the potential of trade liberalization. This study is supported by two studies conducted by Grossman and Krueger (1993; 1995) and shows the association among income per capita growth and contamination level to be upturned U-shaped curve. It is therefore assumed that an initial period of a declining economic growth in a country’s environment is followed by a phase of improvement (Environmental Kuznets curve EKC).

The purpose of paper was to declare, a verifiable opinion on reflex of liberalizations of trade on environment. The econometric models forecast this estimated effects of organic pollutants water (BOD) and carbon dioxide (CO2). Both free trade models found that quality of environment and trade are inversely proportional to each other due to an upsurge in emissions when the trade increases. However, additional observations were made by controlling undetected heterogeneity between the countries to find the influence of free-trade on environment.

The effect of international integration through investment as well as free trade in environmental protection on China for the data spanning from 1996-2004 has been studied in Zang and Eastin(2007). The conclusion reached, tied up liberalization of free trade and FDI to absolute improvement in quality of the environment when better standards and environmental technology development was encouraged in China. In addition to that, a more stringent policy with an increased trade and investment can prevent a spiral downfall with lower environmental standards.

The connection among economic growth, international trade and environmental pollution has been examined theoretically and empirically in Abdulai and Ramcke (2009). By using the panel data for the span 1980-2003 from the developed and developing countries, several environmental factors and one sustainability indicator are analyzed for the full samples to point towards the existence of EKC for most pollutants with some reservations in place, but
apart from modest support for Pollution Heaven Hypothesis (PHH) it still falls short of fully confirming any hypotheses drawing parallels between trade and environmental degradation.

The impact of liberalization of trade could be favorable for sustainable development in rich countries but could engender egregious problems in the poor countries. Such countries as opposed to developed countries are more vulnerable to lose health and productivity, due to lack of institutional capacities that establish appropriate policies. The results of analysis for low and high as well as regional income groups support economic growth, trade and environment but there is no unique relationship with emissions. EKC for environmental indicators is shown by income ratio and none of hypothesis showing relationship between trade and environment has been full approved.

Naranpanawa (2011) conducted the study which examined long-run balance and short-run dynamic association between CO2 emissions and trade openness to Sri Lanka using the ARDL bounds test approach and Johansen and Juselius co-integration procedure within a multivariate setting. This study has included per capita real GDP and per capita real gross fixed capital formation such as additional variables in the multivariate framework. Even though the study has been found to have a longrun equilibrium association between the variables with no the longterm causality flanked by openness of trade and CO2 emissions, there seems to be a shortrun unidirectional causality consecutively from trade openness to decrease CO2 emissions, inferring that the rise in trade would lift CO2 emissions in the short. The paper also found short-term causality moving from trade openness towards real GDP and real GDP for capital. Moreover, there seems to be a two-way Granger causality between trade openness and capital.

Xuan Wang (2011) paper focused on quick economic integration due to the more globalization has two different influences: on one side, it increases productivity and contributes to economic growth; but on the other side, it worsens the environmental conditions and leads a severe environmental degradation problem. Economic prosperities are developing under the traditional GDP or GNP measurement; however, the real human welfare cannot be ascertained as really increasing, when taking the negative externalities into account. This paper tests the effect of openness to international trade at Chinese provincial level, by applying Comparable Green GDP data from 31 provinces and regions to a variant of Solow growth model. The main finding is: there exists a non-linear relationship between green GDP and openness, measured both by volume of trade and foreign directly investment (FDI), at provincial level. Spontaneously, openness has an inverted U shape effect: it increases sustainable development at the beginning and decreases sustainable development after a threshold point. This result accords with the finding by Talberth&Bohara (2006) at national level.

Cialani (2013) examined the relationship between emissions CO2 per capita, international trade and GDP per person founded on panel data covering the time 1960-2008: for hundred and fifty countries and others following the example of OECD and non-OECD countries. This paper applied panel unit root and co integration tests, and estimated a error correction model. The outcomes suggested that there were short term bidirectional causality relationship between growth and openness, together with a causal link among CO2 emissions plus economic growth and free trade, the entire sample. These outcomes recommend that growth policies, trade and environmental pollution must address instantaneously.

Avazalipouret al. (2013) find out the association among foreign direct investment, the quality of environment. For research purpose they, first select some countries, non-OECD nations, panel data was used for the time span 1996-2007. Fixed effect model is used to check the relationship among FDI also in chemical pollution. The results show that increasing the FDI flow in non-OECD, the increase in FDI can make the water contamination. In other words, foreign direct investment in non-OECD countries is causing environmental problems (Selected Countries).

3. Methodology and Data Sources
This part depicts the informational index and approach utilized in the experimental investigations, and furthermore gives the defense to the determination of factors. The variables are designated Economic Growth (GDP), Trade Openness and FDI on the Carbon dioxide release in the South Asian countries like Pakistan, Nepal, Bangladesh, India, Sri-Lanka, and Nepal. The selected countries are developing economies and characterized by relatively high population densities, low per capita income and literacy rates and the unplanned use of technology in various sectors that causes environmental degradation. Environmental effects such as earthquakes, floods, fire blasts and
epidemics in South Asia over the last two decades have forced economists and environmentalists to seriously face the deterioration of the environment. In the study secondary data is used for the time span of 1995 to 2015.

3.1 Model Specification
The general econometric model is given below:

\[ \text{LCO2}_{it} = \beta_0 + \beta_1 \text{LGDP}_{it} + \beta_2 \text{LTO}_{it} + \beta_3 \text{FDI}_{it} + e_{it} \]

Where: LCo2 is the Log of CO2 emissions, LGDP is Log of GDP per capita, LTO is the Log of Trade Openness, FDI is Foreign Direct Investment, i are the countries in the panel, t is for time period (1995-2015) and \( \beta_1, \beta_2, \beta_3 \) are Coefficients (\( \beta_1, \beta_2, \beta_3 > 0 \)).

3.2 Methodology
The panel data econometric methodology known as Pooled mean group (PMG) is applied; this study examined the long run and short run association between independent variables and environmental degradation for economies five Asian economies.

3.3 Data Sources
The variables CO2 emission, Foreign Direct Investment (FDI) Growth variable GDP for all sample countries is taken from World Development Index. Economic openness is taken from WDI source and calculated as export of goods and service plus import of goods and services as a share of Gross domestic product.

4. Results and Analysis
This study encompass of four variables environmental degradation, economic growth, economic integration (i.e. Trade openness and FDI). Whereas, net results presents in succeeding Section, Descriptive statistics, Panel Unit root test, Johansen Fisher Panel Cointegration Test, Pooled mean group.

4.1 Panel Unit Root Stationary Tests
The table in the end provided represents the consequence of successions sationarity, the present study used some same unit tests (LLC, IMP, ADF and PP) to satisfy the variables are non-stationary or stationary. Bestowing to Levin et al. (2002), the null hypothesis of LLC is a unitary root. It is essential to check the saturation of variables as non-stationary variables can cause wrong outcomes.

The results show that variables are tested at first level with intercept proceeding the basis of LLC IMP, ADF and PP and no variable is attain stationary, when variables are tested at first difference, all variables are stationary at order one (1), thus, altogether variables on the basis of all tests were stopped at 1 (1). So we can now continue check co-integration, whether variables have long run association or not.

4.2 Johansen Fisher Panel Cointegration
Johansen (1988) put forward two altered methodologies, one is the probability ratio statistics and the other is maximum eigen-value statistics, for the existence of cointegration vectors in non-stationary time series.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>77.75</td>
<td>0.0000</td>
<td>40.75</td>
<td>0.0000</td>
</tr>
<tr>
<td>At most 1</td>
<td>46.75</td>
<td>0.0000</td>
<td>28.67</td>
<td>0.0014</td>
</tr>
<tr>
<td>At most 2</td>
<td>27.62</td>
<td>0.0021</td>
<td>23.95</td>
<td>0.0077</td>
</tr>
<tr>
<td>At most 3</td>
<td>14.09</td>
<td>0.1689</td>
<td>14.09</td>
<td>0.1689</td>
</tr>
</tbody>
</table>

Above table shows results of co-integration among the proposed variables, because all the variables found stable at the first difference, at present the subsequent step is to analyses if co-integration exists or not. The current study used a johansen fisher co-integration test that is consisting of two kinds of test one is trace and other one is max-eigen test. The result of a cointegration test recommended two co-integration equation based on the trace test and two co-integration equations based on the max-eigen test. Consequently, we reject the null hypothesis of no co-integration and accept the alternative hypothesis that is there is a cointegration. So co-integration indicates the long-term link between the proposed variables (that is, variables move Long-term set).
4.3 Pooled Mean Group Long Run Estimators
The PMG estimator is based on a mixture of amalgamation and mean coefficients (Pesaran et al., 1997, 1999). This estimator allows the short-run parameters; the intercept term and the variance of the errors vary according to the groups (as in the MG estimator). However, it prevents the long-term coefficients from being equivalent. From the primary estimate of the long-term coefficient, we can find the short-run coefficients and the error correction term. These estimates are used, in turn, to estimate $\theta$, the process is iterated until the convergence is reached. PMG appears to be more suitable technique for estimation in present circumstances. Long run results are given in table

<table>
<thead>
<tr>
<th>Variables</th>
<th>Coefficients</th>
<th>Std. Error</th>
<th>t-statistics</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>0.464617</td>
<td>0.217949</td>
<td>2.131769</td>
<td>0.0001</td>
</tr>
<tr>
<td>TO</td>
<td>-0.590717</td>
<td>0.214882</td>
<td>-2.749029</td>
<td>0.0000</td>
</tr>
<tr>
<td>FDI</td>
<td>0.228718</td>
<td>0.071332</td>
<td>3.206387</td>
<td>0.0313</td>
</tr>
</tbody>
</table>

In this model the Gross domestic product per capita (GDP) on Environmental degradation (CO2) conforms to economic theory. Long run results of PMG model shows that GDP have significant and positive influence on environmental degradation, in selected Asian Economies as p-value (0.0001) is less than $\alpha$ (0.05). One percent upsurge in GDP will increase environmental degradation by 0.46 percent. Uddin and Wadud scrutinized the causal link among carbon emissions and Economic growth in seven SAARC economies via historical data for the period 1972 to 2012; results present a co-integration association among environmental contamination and economic growth. Also demonstrate that estimated emission coefficients have positive and substantial impacts on GDP.

Trade openness has significant and negatively related with the Environmental degradation. The p-value (0.000) is less than $\alpha$ (0.05). One percent rise in Trade openness will decrease degradation of environment upto-0.59 percent. Taylor et al. (2001) and Azharet al. (2007) and Tariq & Ab (2016) also found the negative impact of trade openness on environmental degradation. The industry-induced environmental selection effect shows that, due to competition with the number of enterprises opening companies’ decreases, this decrease in the number of companies has a positive impact on the environment. Taylor et al. (2001) and Azharet al. (2007) support the claim that the effect of trade-induced environmental technology is environmentally friendly. A strong empirical indication, from the analysis, supports the assumptions postulated by the theory that CO2 emission levels increase due to the effect of the environmental technique, while decreasing due to the effect of the trade-induced environmental technique. The increase in trade intensity / trade opening is beneficial to the quality of the environment.

Furthermore FDI is also significant and positively related with environmental degradation. The p-value (0.03) is less than $\alpha$ (0.05). One percent rise in FDI will increase degradation of environment by means of 0.22 percent. The theoretical concerns of the environmental effect of FDI in developing countries, called the FDI-environment link or nexus (e.g.Pethig 1976, Porter & Linde 1995, Copeland & Taylor 1994; 1995,) postulate that FDI has a positive relationship with environmental degradation.

4.4 Short Run Estimates Of Poole Mean Group Model
After getting the long run estimates of PMG estimator, the below mentioned ECM is applied to evaluate the short run estimates:

<table>
<thead>
<tr>
<th>Regressors</th>
<th>Coefficient</th>
<th>Standard Errors</th>
<th>t-ratios</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>COINTEQ01</td>
<td>-0.925776</td>
<td>0.325568</td>
<td>-2.843572</td>
<td>0.0112*</td>
</tr>
<tr>
<td>D(CO2(-1))</td>
<td>0.518776</td>
<td>0.194429</td>
<td>2.668199</td>
<td>0.0162*</td>
</tr>
<tr>
<td>D(CO2(-2))</td>
<td>0.896407</td>
<td>0.671092</td>
<td>1.335744</td>
<td>0.1992</td>
</tr>
<tr>
<td>D(CO2(-3))</td>
<td>-0.038042</td>
<td>0.447541</td>
<td>-0.085002</td>
<td>0.9333</td>
</tr>
<tr>
<td>D(GDP)</td>
<td>1.380643</td>
<td>4.056553</td>
<td>0.340349</td>
<td>0.7378</td>
</tr>
<tr>
<td>D(GDP(-1))</td>
<td>3.028498</td>
<td>4.735139</td>
<td>0.639580</td>
<td>0.5310</td>
</tr>
<tr>
<td>D(GDP(-2))</td>
<td>2.575460</td>
<td>4.742300</td>
<td>0.543082</td>
<td>0.5941</td>
</tr>
</tbody>
</table>
As shown in the Table, the coefficient of Error Correction Mechanism (ECM) is statistically significant (-0.92) suggesting a convergence to the equilibrium path, the error correction process converges 92 percent equilibrium path in a year. The magnitude of ECM coefficient implies that nearly 92% of any disequilibrium in the environmental degradation (CO2) is corrected by the exogenous variables within one period (one year).

The significance and the correct sign of the error correction coefficient as per suggested by theory also approve the existence of a longrun equilibrium association among economic growth and independent variables included in the model.

The economic growth devours positive but insignificant effect on environmental degradation in five Asian economies. The coefficients of GDP at year t-1, t-2 and t-3 are statistically insignificant but positive in short run.

The coefficient of the Trade openness at the year t is positive and substantial in the shortrun analysis. The first lag is positive but insignificant at year t-1. The second lag is showing negative but significant relationship of trade openness with environmental degradation. The coefficient of TO at year t-3 is statistically insignificant and negative in short run analysis.

The FDI coefficient has positive and economically insignificant impact on environmental degradation at year t, t-2 but it has negative and insignificant impact on economic growth at the year t-2. While at year t-3 it is positive and significant. So all the variables such as economic growth and economic integration have ambiguous effect on environmental degradation at different lags in short run.

5. Conclusion and Recommendations

In this study, we inspect cointegration, long-run and short run relationship among projected variables such as environmental degradation, economic growth and economic integration build on cross country panel data set covering five Asian economies taken as, Pakistan, Sri-Lanka, India, Nepal and Bangladesh during the period 1995-2015. This study is of panel data nature, for the time 1995-2015. The study at palm, collected annual data from World Development Indicator. The study purposed environmental degradation as dependent variable while economic growth and economic integration as independent variables.

By applying unit root test, we originate that all three succession the logarithm of per capita GDP, per kg CO2 emissions and openness and foreign direct investment follow I(1) processes. These outcomes were at that moment used to apply Pooled mean group test. The p-values acquired from both Johnson fisher cointegration test and group-mean test shown that null hypothesis of no cointegration would be spurn for the sample of all five economies. This advocates that CO2 emissions, GDP per capita, openness of trade and FDI are cointegrated. Subsequently, there were long-run equilibrium associations between these four variables. Our outcomes are reliable with preceding results done by different researchers as conferred in literature review.

Long run results of PMG model demonstrate that, economic growth retains significant and positive influence on environmental degradation, in selected five Asian Economies. The rise in GDP will increase environmental degradation by dint of 46 percent.

Trade openness has significant and negatively related with the Environmental degradation. An increase in Trade openness will decrease Environmental degradation by 59 percent. The result of this study is very much similar with the work of Taylor et al. (2001) and Azhar et al. (2007) and Bilal Tariq & RossazanaAb (2016).
Furthermore foreign direct investment is also significant and positively related with Environmental degradation. One percent increase in foreign direct investment will increase Environmental degradation by 22 percent. The theoretical concerns of environmental effect of FDI in developing economies, called the FDI-environment link or nexus “(e.g. Pethig 1976, Copeland & Taylor 1994 to 1995, Porter & Van der Linde 1995)” postulate that FDI has a positive relationship with environmental degradation.

The sign and magnitude of the coefficient of the error correction mechanism (ECM) determine a short run adjustment process. The coefficient of ECM is statistically significant (-0.92) suggesting a convergence to the equilibrium path, the error correction process converges 92 percent equilibrium path in a year. In this study, the negative value of the ECM coefficient (-0.925) confirms that there is disequilibrium in the short run which set of variables in model are trying to correct in the long run. The magnitude of ECM coefficient implies that nearly 92% of any disequilibrium in the environmental degradation (CO2) is corrected by the exogenous variables within one period (one year).

The significance and the correct sign of the error correction coefficient as per suggested by theory also ratify the existence of long run equilibrium association among economic growth and independent variables included in model.

So all of the factors such for instance GDP per capita, Trade Openness as well as FDI have ambiguous effects at different lags in short run. The estimator allows the short-run parameters; the intercept terms and the variance of the errors vary according to the groups. So the short run coefficients results vary according to the situation and policy rules among each country.

On the basis of our findings, economic integration indicates that developing countries need to formulate a sound environmental policy to improve environmental impacts on the environment. Additionally, they requisite comply with strict environmental impacts to evade too much pollution, arbitrary deforestation, exploitation of marine resources and unambiguous property privileges. The trade-induced environmental selection effect can be controlled by creating a competitive environment in the selected regions that can be secured by focusing more on intra-industry trade. In addition, the hazardous effects of intra-industry trade can be eliminated by investing more in green technology and research and development. The production rate is a major source of CO2 emissions. Therefore, it is recommended to achieve production capacity through the application of the technology, which may reduce the level of contamination.

On the base of conclusion of the present research study this area can be more probes in various ways as follows. First, present study uses four macroeconomic variables, academicians and researchers should include other different and more variables and can investigate other important factors which can accurately predict environmental degradation. Second, the study focused only five SAARC economies, while this research can be done by considering more Asian economies. Third, other research can consider structural breaks as well while modeling Environmental degradation.

References
### Panel unit root test

**Table: 4.1**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Levin, Lin &amp; Chu t*</th>
<th>Im, Pesaran and Shin W-stat</th>
<th>ADF-Fisher-Chi square</th>
<th>PP - Fisher Chi square</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>t-statistics</td>
<td>p-value</td>
<td>t-statistics</td>
<td>p-value</td>
<td>t-statistics</td>
</tr>
<tr>
<td>LCO₂</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st difference</td>
<td>6.314 0.000</td>
<td>2.180 0.983</td>
<td>7.292 0.697</td>
<td>1.165 0.999</td>
<td>I(1)</td>
</tr>
<tr>
<td></td>
<td>-1.299 0.096</td>
<td>-1.987 0.023</td>
<td>24.38 0.006</td>
<td>28.87 0.001</td>
<td></td>
</tr>
<tr>
<td>LGDP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st difference</td>
<td>3.151 0.999</td>
<td>5.659 1.000</td>
<td>0.178 1.000</td>
<td>0.138 1.000</td>
<td>I(1)</td>
</tr>
<tr>
<td></td>
<td>-3.448 0.000</td>
<td>3.370 0.000</td>
<td>29.97 0.000</td>
<td>30.26 0.000</td>
<td></td>
</tr>
<tr>
<td>LTO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st difference</td>
<td>-1.556 0.069</td>
<td>-1.922 0.097</td>
<td>29.03 0.001</td>
<td>33.90 0.000</td>
<td>I(1)</td>
</tr>
<tr>
<td></td>
<td>-6.173 0.000</td>
<td>-7.997 0.000</td>
<td>72.06 0.000</td>
<td>104.8 0.000</td>
<td></td>
</tr>
<tr>
<td>FDI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st difference</td>
<td>-0.517 0.302</td>
<td>0.676 0.750</td>
<td>4.946 0.844</td>
<td>4.615 0.915</td>
<td>I(1)</td>
</tr>
<tr>
<td></td>
<td>-7.479 0.000</td>
<td>-6.209 0.000</td>
<td>51.94 0.000</td>
<td>52.83 0.000</td>
<td></td>
</tr>
</tbody>
</table>
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Line Spacing: fixed – Single
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This section may cover overall background and description of the study, narrow down to research objectives, motivation of the topic, importance/significance, proposed tasks and novelty. Abbreviations should be described in parentheses when first time they appear in the text.

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and within variables. Testing hypotheses and comparing with literature.

**Discussion and recommendations**
It may be broken into meaningful sections, i.e. hypotheses supported/rejected, alternative explanations, conclusion, theoretical/methodological contribution, practical implications, recommendations, future study directions and limitations.

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Present them in order (suitable heading and specific number; Arabic numerals) wherever appropriate in the text. High-resolution (black and white only) graphs must be provided in the main text of the paper.

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Background information, list of respondents, list of companies or questionnaire may be described in this section if required by the editor/reviewer.

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