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# MANAGEMENT TODAY

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# **Management Today**

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Volume: 4 No.: 2 **April-June 2014** Quarterly

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### **EDITORIAL**

After a careful scrutiny seven articles have been selected for the purpose of publication in this issue. Out of seven articles one is on finance, two are on marketing and the remaining four are on human resources and organisational behaviour related aspects. All are research based articles.

Either for an individual or a corporate investor deciding the ideal portfolio is an important and difficult task. The portfolio one selects should give maximum returns with minimum risk. Several people have tried to solve this problem. As a result several models have emerged. One such model is Sharpe Single Index Model. Sharpe in his single index model formulates a unique cut off point (cut off rate of return) to select the qualified securities to construct optimal portfolio. According to him Securities with highest Excess return to Beta value than this cut off point are eligible. In the first article the author has made an attempt to test validity of the Sharpe model in constructing the portfolio.

Situation is a major factor that influences the consumer decision. Situation is a temporary characteristic that influences the consumer at a particular point of time and place. In the second article, the authors have attempted to study situational influence on snack food purchasing decision. For the purpose, two different groups of people with different eating preferences and nine different situations have been selected, and a 'scale development approach' has been used.

Now-a-days many women are opting to work for themselves and for the sake of their families. Increased literacy, increased need and increased social acceptability are some of the reasons for women taking up jobs in large number. Though the women go out and work subjecting themselves to the rules of punctuality and discipline throughout the day along with men, they are not relieved of the traditional household duties. They have to effectively enact the roles of wife, mother and employee. Due to the multiple roles turnover rate among women employees tends to be high. Employee turnover, whether it is men or women, is an industrial malady. Several studies have been undertaken in the past on employee turnover. The research carried on by the authors of the third article is yet another study in that direction. I is a valuable addition to the existing literature on women employee turnover.

Customer is the most important person on the business premises and success of the business depends on customer satisfaction. Hence customer satisfaction is an important strategic objective for all the firms. The fourth article is on "Moderating Role of Demographic Characteristics on Customer Satisfaction in Telecommunications Industry". The empirical results show that there is association between demographic characteristics and customer satisfaction. The findings of this study provide some understanding to brand managers and academia on the effect of demographic characteristics on consumer purchasing behaviour.

India adopted the policy of Liberalization, Privatization and Globalization in 1991. Consequent of globalisation the businesses started crossing the country's borders. Many foreign companies entered the boundaries of the Nation. The foreign companies had, altogether, a different HR perspective that had a great impact on traditional HR practices of India. In the fifth article the authors have made a sincere attempt to study employees' performance in MNCs in India.

Business expansion has resulted in the expansion of organization beyond national boundaries, which has led to intensification in business partnership and multinational operations through international subsidiaries. This has resulted in the use of the services of the expatriates. The most common challenges encountered by expatriates are work and Interactive adjustment during international assignment. The sixth article, "Impact of Work and Interactive Adjustment on Expatriate Job Performance", aims at filling the gap existing in IHRM literature.

The last article is on organizational empowerment practices. Working women generally face more challenges than men. It is more so true in hospitality and tourism sector. The authors might have realised this fact and investigated potential gender differences in perceptions of organizational empowerment practices, feelings of psychological empowerment, important work outcomes and self-reported assessments of service quality among front line service workers in five star hotels in Turkey. The authors interpret the absence of significant gender differences as a sign of progress. I hope all these articles make a good material for reading.

**Babujee Apparao Punaty** 

Chief Editor

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### **Application of Sharpe Single Index Model to BSE**

### Ch. Naveen

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### ABSTRACT

In this paper an attempt has been made to apply Sharpe Single Index Model to BSE to construct optimum portfolio. In order to construct the portfolio 30 blue chip companies of BSE with 6 years data i.e. from January 2007 to December 2012 have been considered. Besides this, an attempt has been made to test the validity of the Sharpe model to construct the portfolio. Sharpe in his single index model formulates a unique cut off point (cut off rate of return) to select the qualified securities to construct optimal portfolio. According to him Securities with highest Excess return to Beta value than this cut off point are eligible. Later percentage of funds to be invested in each qualified stock has been calculated. Finally four securities only qualified to construct the portfolio from the 30 blue chip companies of the BSE.

### Introduction

Investing the entire wealth in single security is very rare. It is because, investment in single security always exposed to highest risk. But most of investors have an aversion to risk. Investors can escape from the risk and achieve the objective of wealth maximisation by way of constructing portfolio. Construction of portfolio always minimises the risk of the investment. Many economists proposed many theories to create an optimum portfolio. The popular theories among them are Markowitz model and Sharpe Single index model.

Markowitz model is concerned with creating an optimal portfolio using efficient frontier by risk averse investors. He used dominance principle to select optimum portfolio. According to Sharpe single index model he opined that, all stocks are affected by movements in the stock market. The stocks which have excess return to beta values are positive and are eligible to construct portfolio. Then we should

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calculate the unique cut off rate to the portfolio. The securities whose excess return to beta value is more than cut off rate are qualified to construct optimal portfolio.

In this paper an attempt has been made to apply Sharpe Single index model to BSE to construct the optimal portfolio using its 30 blue chip companies. Simply to test whether Sharpe Single index models are really improving the investment performance or not?

### **Theoretical Frame Work**

### Sharpe Single index model:

Markowitz model is highly information-intensive. This model is adequate and conceptually sound in analysing the risk and returns of the portfolio. It suffers with sophisticated process and volume of work required. William Sharpe is the person who simplified the complexity in the Markowitz model.

Casual observations of the stock prices revealed that most of the stock prices follow the market. In other words, if stock market moves up then most of the securities' prices will go up, if stock market falls down the prices of the securitiestend to decline. The reason is the comovement between the securities and the stock in the market. William Sharpe studied this co-movement of stocks with a market index with the help of simple linear Regression equation in his Single index model.

As per Sharpe portfolio optimisation model, the linearity of security should be found. The Beta of the security represents the market linearity of the stock. Market influences each security. Negative beta defines that security is not linear to the market. The securities with negative values should be rejected. At the same time securities with less return than risk free rate also should be eliminated because of its investment risk. The steps involved in the process of construction of portfolio are as follows:

**Step-1:** Construction of an optimal portfolio using Sharpe single index model is to select securities on the basis of following criteria.

- The average expected return of the stock is greater than the risk free return.
- The  $\beta$  value of security return is also positive.
- Then calculate the excess returns to  $\beta$  ratio.

**Step-2:** All the securities whose excess returns to  $\beta$  ratio are positive should be considered for the next step. Remaining securities should be eliminated. Then rank the qualified securities from highest to lowest based on excess returns to  $\beta$  ratio.

**Step-3:** Calculate cut off rates to the qualified securities with the help of the following formula.

$$C_{i} = \{\sigma_{m}^{2} \sum (R_{i} - R_{f}) \beta i / \sigma_{ei}^{2} \} / (1 + \sigma_{m}^{2} \sum \beta_{i}^{2} / \sigma_{ei}^{2})....(1)$$

Where.

R<sub>i</sub>= Expected return of the stock

R<sub>f</sub>= Risk free rate of return.

 $\sigma_{\rm m}^2$  Variance of market index.

 $\sigma^2_{ei}$ = Variance of the stock's movement that is not associated with the movement of the market index unsystematic risk.

**Step-4:** Highest  $C_i$  value should be considered as cut-off rate  $(C^*)$ . All securities whose excess return-to-beta ratios are above the cut-off rate  $(C^*)$  are selected and all whose securities with the ratio below cut-off rate are rejected.

Step-5: Construction of an optimal portfolio:

After determining the qualified securities to construct a portfolio the manager should find out how much should be invested in the individual security.

The percentage of funds to be invested in each security can be estimated as follows.

$$W_{i} = Z_{i}/\Sigma Z_{i}....(2)$$

Where, 
$$Z_i = \beta_i / \sigma_{ei}^2 (R_i - R_f / \beta_i - C^*)$$
.....(3)

Where,

 $C^* = Cut$ -off rate.

R<sub>i</sub>= Expected return of the stock

R<sub>f</sub>= Risk free rate of return.

 $\beta_i$  = Beta of the stock i

 $\sigma_{ei}^2$  Variance of the stock's movement that is not associated with the movement of the mark index unsystematic risk.

**Step-6:** The above expression determines the relative investment in each security. The first expression simply scales the weights on each security so that they sum up to 1 (ensures full investment). The

residual variance on each security  $\sigma^2_{ei}$  plays an important role in determining how much to invest in each security. Then the portfolio return can be calculated with the Sharpe single index model. The fallowing equation can be used:

Return of the portfolio (
$$R_p$$
)= $\alpha_p + \beta_p * R_m$ ....(4)

Where,  $\alpha_p = \sum W_i * \alpha_i$ 

 $\beta_p = \Sigma W_i * \beta_i$ 

Portfolio Variance  $(\sigma_p^2) = \beta_p^2 * \sigma_m^2 + \Sigma W_i^2 * \sigma_{ei}^2$ ....(5)

Where

 $R_p = Portfolio Return$ 

 $\beta_p$  = Portfolio Beta

R<sub>m</sub>= Market return

 $\alpha_p$  = Portfolio alpha

### **Review of Literature**

Markowitz (1952, 1959) came up with his mean-variance model to construct a portfolio. He developed a frontier to find out the efficient portfolios using quadratic equations. Many researchers made attempt to apply modern portfolio theories to construct an optimal portfolio, and they were succeeded. J. Elton, martin J. Gruber (1997), reviewed the issues including history and future of portfolio theory, the key inputs necessary to perform portfolio optimisation, special problems in applying portfolio theory to financial institutions and methods of evaluating how well portfolios are managed. Rajan Bahadur Paudel and Sujan Koirala (2006) constructed a portfolio by applying Markowitz model and Sharpe single index model to the securities of Nepalese stock market. They concluded that, investor in Nepalese stock market can reduce risk in his/her investment by applying these models. Edwin Varadharajan P (2011) constructed the portfolio using Sharpe single index model using banking and information technology industry securities only. Yashpal Taneja; Shipra Bansal (2011) made an attempt to identify the efficient securities to construct efficient portfolio using Sharpe single index model. Himanshu Puri and Sakshi Saxena (2012) constructed a portfolio using Sharpe single index model. He observed the performance of the constructed portfolio using Sharpe ratio and Treynor's ratio.

### Sample and Methodology

This study is based on the risk and return data of 30 Blue chip companies of BSE (refer to Annexure 1). Selection criteria for constructing portfolio using Blue chip companies are:

- (a) Since the study conducted for the period from January 2007 to December 2012, only those securities whose values are available are considered for analysis. Here DLF data is not available for the above said period so it is eliminated.
- (b) The securities with negative returns and negative beta were also eliminated from the sample. Finally 24 securities with positive returns and beta were only considered for construction.
- (c) Source of the data: The data for the analysis purpose have been collected from official website of Bombay Stock Exchange (BSE) i.e. www.bseindia.com.
- (d) The fallowing procedure has been used to construct optimum portfolio using Sharpe single Index model.

- (e) Excess return to beta ratio has been calculated to 24 qualified blue chip companies of BSE. Securities with positive excess return to beta ratio were only selected for next step and the remaining securities were been eliminated.
- (f) The eligible securities are arranged in a descending order based on their ratios.
- (g) Cut-off rate has been calculated
- (h) Securities with highest excess return to beta ratio than cutoff rate have been selected for constructing optimum portfolio.
- After determining securities those which are eligible for constructing optimal portfolio weights have been assigned. They indicate the proportion of funds to be invested in individual securities.
- (j) Risk and return of the optimum portfolio has been calculated.

### **Analysis and Discussion**

### Risk and Return of Individual Securities and Market

The Mean return and Risk in terms of Standard Deviation and Coefficient of variation (CV) and BETA have been calculated for 24 qualified securities and shown in table1. Out of 24 qualified securities TATA Motors offers highest Mean Return of 59.30% fallowed by Reliance Infrastructure (50.42%) and L&T (42.34%). Similarly ONGC offered least return of 1.04% fallowed by Sun Parma (6.03%) and Reliance Industries (6.96%). Risk in terms of CV of HERO Motor Corp is very less 2.09 fallowed by SBI 2.33 and L&T 2.41. Risk is highest to ONGC (57.01) it is because less return than risk free rate. TATA Motors is more sensitive to Stock market returns measured by Beta (3.02) fallowed by Sterilite (2.17) and M&M (2.10). Sun Parma and ITC recorded low BETA (0.4). On the other hand Mean return of the Stock market is 15.7%, Risk in terms of CV is 3.07.

Table-1: Mean Returns, Standard Deviation, CV and BETA of the 24 Qualified Stocks in the Market

S.No	Company	Return	S.D	CV	β
1	ACC Ltd	13.04	44.47	3.41	0.77
2	Grasim	15.90	55.39	3.48	1.05
3	Hero Motor corp.	21.90	45.85	2.09	0.54
4	HDFC	8.75	63.79	7.29	0.99
5	HDFC Bank	17.47	63.74	3.65	1.15
6	HINDALCO	28.60	101.79	3.56	1.90
7	ICICI Bank	21.13	61.42	2.91	1.21
8	Infosys	11.92	63.78	5.35	0.97
9	ITC	12.46	31.31	2.51	0.40
10	L&T	42.34	101.84	2.41	1.87
11	M&M	36.02	130.46	3.62	2.10
12	MARUTI	29.48	91.85	3.12	1.59
13	NTPC	8.09	42.08	5.20	0.62
14	ONGC	1.04	57.01	54.84	1.10
15	Reliance Industries	6.96	64.57	9.28	0.75
16	Reliance infrastructure	50.42	143.68	2.85	2.06
17	SBI	24.91	58.16	2.33	1.13
18	Stserilite	24.32	120.90	4.97	2.17
19	Sun Pharma	6.03	42.90	7.11	0.40
20	TCS	8.88	42.75	4.81	0.63
21	TATA Motors	59.30	179.64	3.03	3.02
22	Tata Power	21.62	92.34	4.27	1.55
23	TATA Steel	31.48	96.27	3.06	1.94
24	Wipro	12.44	89.33	7.18	1.42
25	MARKET	15.70	48.23	3.07	

Source: Self Constructed

### **Calculation of Excess Return to Beta Value**

The risk free return is considered to be 7% per annum for calculating the excess return to beta value of all securities. The detailed calculation has been shown in the table 2 below. Securities with positive excess return to beta value are only eligible for the next step. Securities with negative value should be rejected.

Table-2: Calculation of Excess Return to Beta Value and Ranking of Securities

S.No	Company	R <sub>i</sub>	β <sub>i</sub>	Unsystematic risk $(\sigma_{ei}^{\ 2})$	$R_i$ - $R_f$	$R_i$ - $R_f$ / $\beta_i$	Rank
1	ACC Ltd	13.040	0.766	154.040	6.040	7.885	16
2	Grasim	15.903	1.052	238.904	8.903	8.465	14
3	Hero Motor Corp	21.898	0.539	478.528	14.898	27.654	1
4	HDFC	8.755	0.990	56.643	1.755	1.773	20
5	HDFC Bank	17.475	1.150	292.369	10.475	9.112	13
6	HINDALCO	28.598	1.897	806.869	21.598	11.384	11
7	ICICI Bank	21.126	1.213	436.291	14.126	11.648	10
8	Infosys	11.924	0.965	125.191	4.924	5.102	17
9	ITC	12.459	0.400	147.233	5.459	13.654	8
10	L&T	42.341	1.873	1789.772	35.341	18.873	3
11	M&M	36.022	2.101	1290.579	29.022	13.811	7
12	MARUTI	29.475	1.593	862.795	22.475	14.109	6
13	NTPC	8.085	0.621	44.371	1.085	1.746	21
14	ONGC	1.040	1.095	-22.919	-5.960	-5.442	24
15	Reliance Industries	6.960	0.752	26.443	-0.040	-0.053	22
16	Reliance infra	50.418	2.065	2539.952	43.418	21.030	2
17	SBI	24.912	1.131	615.594	17.912	15.843	5
18	STSERILITE	24.324	2.172	576.644	17.324	7.977	15
19	Sun Pharma	6.033	0.398	13.395	-0.967	-2.430	23

20	TCS	8.883	0.633	59.902	1.883	2.974	19
21	TATA Motors	59.297	3.024	3512.094	52.297	17.295	4
22	Tata Power	21.620	1.548	455.441	14.620	9.447	12
23	TATA Steel	31.482	1.942	982.102	24.482	12.603	9
24	Wipro	12.444	1.422	136.864	5.444	3.829	18

Source: Self Constructed

From the above table it can be seen that out of the 24 securities 3 (ONGC, Reliance Industries and Sun Pharma) securities got negative excess return to beta value. So these 3 securities have been eliminated. The remaining 21 securities have been arranged in descending order to calculate the cut off rate. Further we calculated the cut off rate to determine the qualified securities to construct the portfolio.

#### **Calculation of Cut off Rate**

Detailed calculation of Cut off rate has been shown in table 3. It shows the ranking of securities in portfolio using excess return to beta value and calculation of unique cut off rate.

Table-3: Calculation of Cut-off rate and Ranking of Securities for Portfolios with Market Variance = 2326.3459

S.No	Security	$R_i$ - $R_f/\beta_i$	$(R_i-R_f)*\beta_i/\sigma_{ei}^2$	$\sum (R_i - R_f) * \beta_i / \sigma_{ei}^2$	$\beta_i^2/\sigma_{ei}^2$	$\sum \beta_i^2/\sigma_{ei}^2$	$\mathbf{C_{i}}$
1	HERO	27.654	0.006	0.006	0.000	0.000	8.883
2	R. infra	21.030	0.008	0.014	0.000	0.001	13.566
3	L&T	18.873	0.030	0.044	0.002	0.002	16.781
4	TATA Motors	17.295	0.014	0.058	0.001	0.003	16.905
5	SBI	15.843	0.050	0.108	0.003	0.006	16.400
6	MARUTI	14.109	0.014	0.122	0.001	0.007	16.097
7	M&M	13.811	0.009	0.131	0.001	0.008	15.915
8	ITC	13.654	0.004	0.135	0.000	0.008	15.845
9	TATA Steel	12.603	0.097	0.232	0.008	0.016	14.303
10	ICICI Bank	11.648	0.049	0.280	0.004	0.020	13.758
11	HINDALCO	11.384	0.021	0.301	0.002	0.022	13.564
12	Tata Power	9.447	0.008	0.309	0.001	0.023	13.419
13	HDFC Bank	9.112	0.012	0.321	0.001	0.024	13.182
14	Grasim	8.465	0.019	0.340	0.002	0.026	12.785
15	STSERILITE	7.977	0.010	0.350	0.001	0.027	12.562
16	ACC Ltd	7.885	0.008	0.358	0.001	0.028	12.407
17	Infosys	5.102	0.003	0.360	0.000	0.029	12.285
18	Wipro	3.829	0.002	0.363	0.001	0.030	12.110
19	TCS	2.974	0.001	0.364	0.000	0.030	11.976
20	HDFC	1.773	0.001	0.365	0.001	0.031	11.795
21	NTPC	1.746	0.001	0.366	0.000	0.031	11.653

Source: Self Constructed

It can be observed from table 3 that cut off rate is 16.905. HERO recorded the highest excess return to beta value of 27.65, followed by reliance infrastructure with 21.03, L&T with 18.87 and TATA Motors 17.29. On the other hand the lowest value of excess returns to beta value reported by NTPC (1.75). Only these four companies are qualified with more excess returns to beta value than the cut off rate.

### **Construction of Optimal Portfolio:**

After arriving at the stocks to be considered for construction of optimal portfolio we should calculate the proportion of funds to be invested in individual security in the portfolio. For this fallowing formula can be used:

Percentage invested in each security  $(W_i) = Z_i/\Sigma Z_i$ 

Where, 
$$Z_i = \beta_i / \sigma_{ei}^2 (R_i - R_f / \beta_i - C^*)$$

The first expression indicated the weights on each security and they sum up to one. The second shows the relative investment in each security. The residual variance or unsystematic risk plays an important role in determining the amount to be invested in each security. Table 4 shows the percentage to be invested in individual security in the portfolio or construction of optimal portfolio.

**Table-4: Construction of Optimal Portfolio** 

Company	βi	Ri-Rf/βi	σei2	$\beta_i/\sigma_{ei}^2$	$\mathbf{Z_{i}}$	$X_i = Z_i / \sum Z_i$
Hero Motor corp	0.539	27.654	1426.647	0.000	0.004	0.613
Reliance infrastructure	2.065	21.030	10728.859	0.000	0.001	0.120
L&T	1.873	18.873	2213.687	0.001	0.002	0.251
TATA Motors	3.024	17.295	11000.629	0.000	0.000	0.016
	$\sum Z_{i}$				0.007	

Source: Self Constructed

From the above table it is clearly observed that 61.3% of the funds to be invested in HERO Motor Corp, 12% of the funds should be invested in Reliance infrastructure, 25.1% of funds should be invested in L&T and 1.6% of funds should be invested in TATA Motors.

## Calculation of Return of the Optimal Portfolio Using Sharpe Single Index Model:

Table-5: Calculation of Portfolio alpha (α<sub>n</sub>)

Company Name	Weight	$a_{i}$	$w_i \alpha_i$
Hero Motor corp.	0.612722	13.43816	8.23385
Reliance infrastructure	0.119816	17.99681	2.156315
L&T	0.25127	12.93507	3.250197
TATA Motors	0.016192	11.81358	0.191284
	0	13.83165	

Source: Self constructed

Table-6: Calculation of Portfolio beta  $(\beta_p)$ 

Company Name	Weight	$\beta_{\rm i}$	$w_i\beta_i$
Hero Motor corp.	0.612722	0.538734	0.330094
Reliance infrastructure	0.119816	2.064581	0.247371
L&T	0.25127	1.872591	0.470526
TATA Motors	0.016192	3.023743	0.04896
	β	1.096951	

Source: Self constructed

Expected return of the portfolio is calculated using the equation  $R_p = \alpha_p + (\beta_p * R_m)$ . The calculated value of market return is 15.70341. By substituting the values in the above equation, it will give the portfolio return. **The portfolio return is 31.05752%.** 

### Calculation of Risk of the Optimal Portfolio Using Sharpe Single Index Model

Company Name	Weight	$W_i^2$	$\sigma_{ei}^2$	$W_i^2 \sigma_{ei}^2$
Hero Motor Corp.	0.612722	0.375428	1426.647	535.6027
Reliance infrastructure	0.119816	0.014356	10728.86	154.0234
L&T	0.25127	0.063137	2213.687	139.7648
TATA Motors	0.016192	0.000262	11000.63	2.884122
		832.275		

Source: Self constructed

The equation to calculate Portfolio risk is  $\sigma_p^2 = (\beta_p^2 * \sigma_m^2) + \sum W_i^2 \sigma_{ei}^2$ . Calculated value of market variance i.e.  $\sigma_m^2$  is 2326.346 and  $\beta_p^2$  is 1.203302. By substituting the values in the above equation we will get risk of the portfolio. So the calculated **risk of the portfolio is** 0.3631.

### Conclusion

Sharpe gave us a road map to construct the optimal portfolio. If we follow the rules for constructing optimal portfolio we can easily construct the portfolio. This method of constructing a portfolio is more convenient and easy. Use of cut off rate played a vital role in constructing the optimal portfolio. But the investor should not get relaxed with this point. Through portfolio evaluation the investor tries to find out how well the portfolio has performed. He/she should evaluate the portfolio from time to time to earn more returns, because of its volatile nature of market and economy. Otherwise risk of the constructed portfolio will increase and return may decrease.

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# Situational Influence towards Snack Food Purchasing Decision – A Scale Development Approach

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Keywords:

Consumer Decision Making Consumption Situation Focus Groups Impulsive Products Scale Development Approach Situational Influence Snack Food ABSTRACT

Situation is a major factor that influences the consumer decision making on both purchase and consumption situation. Situation, in this study is considered a temporary characteristic of the individual that influences the consumer at a particular time and place to purchase and consume snack food in eateries. Two focus groups studies were undertaken with respondents on snack foods purchase. People who came to branded and non-branded eateries of Puduchery in the month of September 2013 were studied separately. The rotated component matrix of the 37 questions indicated nine components named as social influencing situation, store merchandise influencing situation, store atmosphere influencing situation, mood influencing situation, store personnel influencing situation, momentary condition influencing situation, impulse consumption influencing situation, gift-giving situation and relaxing situation, which present a higher degree of variability among consumers. This scale has been developed to specifically suit to situational influence on snack food purchase. In future, scales can be developed to suit to situational influence of different impulsive products.

### Introduction

The consumer decision making process attracts a considerable amount of interest in consumer behavior research. Situation is a major factor that influences the consumer decision making on both purchase and consumption situation. Situation refers to temporary conditions or settings that occur in the environment at a specific time and place, which enables a consumer to make their purchasing decision (Asseal, 2009). Situation, in this study is considered a temporary characteristic of the individual that influences the consumer at a particular time and place to purchase and consume snack food in eateries.

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Consumer purchase decisions are influenced impulsively by family, friends, advertisers, role models and also by mood, situation and emotion, all of which combine to form a comprehensive model of consumer behavior that reflects the cognitive and emotional aspects of consumer decision making (Schiffman, 2008). Belk (1974) developed an exploratory assessment of situational effect in buyer behavior and modified the behavioral differential approach technique developed by Triandis (1964). The behavioral differential is a questionnaire on which respondents indicate the likelihood that they would make each of a number of responses to a stimulus configuration.

### The situational influence construct:

"Situational influences are all those factors particular to a time and place of observation which do not follow from a knowledge of personal (intra-individual) and stimulus (choice alternative) attributes and which have a demonstrable and systematic effect on current behavior(Belk, 1974). Consumers act and react differently depending on the particular situation. There are four types of situations that occur in the consumer behavior: the communication situation, the purchase situation, the consumption situation and the disposition situation.

#### The Communications Situation

The situation in which consumers behave based on the information they receive. Whether one is alone or in a group, in a good mood or bad, in a hurry or not influences the degree to which one sees and listens to marketing communications.

#### The Purchase Situation

The situation in which a purchase is made can influence consumer behavior. Marketers must understand how purchase situations influence consumers in order to develop marketing strategies that enhance the purchase of their products.

### The usage situation

The consumption or usage situation is the situation in which the consumer decides to consume or use the products or services. The brand of the product or service may depend on the situation that the consumer faced.

### The disposition situation

Disposition situation is the situation in which the consumer disposes the products or product packages after or before product use. Some consumers consider case of disposition as an important product attribute. These people may purchase only items that can be easily recycled.

### Situational Characteristics of consumption & purchase behavior

The situations discussed above can be described on a number of dimensions that determine their influence on consumer behavior. These are physical surroundings, social surroundings, temporal perspectives, task definition, and antecedent states.

### **Physical Surroundings**

Physical surroundings are all physical aspects of the store which includes decor, sounds, aromas, lighting, and humidification, presentation of merchandise and dress and behavior of sales personal or other materials surrounding the stimulus object. Physical surroundings are a widely influencing type of situation, particularly for retail applications.

### **Social Surroundings**

Social surroundings are the other individuals present in the particular purchase or consumption situation. Individual's actions are frequently influenced by those around them. Social influence is significant force acting on our behavior, since individuals tend to comply with group expectations, particularly when the behavior is visible.

### Temporal Perspectives

Temporal perspectives are situational characteristics that deal with the effect of time on consumer behavior. Consumer decision process has influenced by availability of time for purchase or consuming the product. In general, the less is the time available (i.e., increased time pressure), the shorter will be the information search, the less available information will be used, and the more suboptimal purchases will be made.

### **Task Definition**

**Task definition** is *the reason the consumption activity is occurring.* Major task dichotomy used by marketers is between purchases for self-use versus gift giving. Consumers give gifts for

many reasons such as social expectations, ritualized situations, and to elicit return favors.

#### **Antecedent States**

Features of the individual person that are not lasting characteristics, such as momentary moods or conditions are called **antecedent states.** For example, most people experience states of depression or excitement from time to time that are not normally part of their individual makeup.

### **Measuring Situational Influence**

Situation is one of the main factors that influences the decision making process of consumer purchase behavior. The objective of this study is to develop a scale for measuring the influence of situation on consumer decision towards snack food in eateries. Measurement is a fundamental activity of science. We acquire knowledge about people, objects, events, and processes by observing them.

Questionnaires are the most commonly used method of data collection in field research (Stone, 1978). Marketers need to understand which situation affect the purchase of our product and how they must best serve target market buyers when these situations arise. In this research, a framework of situational influence dimensions is developed. The different types of situational dimensions can be distinguished by each dimensions treated as a uni-dimensional construct. These constructs influence consumer purchase and consumption decision. This frame work and scale was developed for a specific product category snack food in this case.

### **Situational Influence Scale Generation**

**First stage**: The questions were based on various situational characteristics faced by the consumer while purchasing snacks in eateries. This scale was developed on a five point scale with 1 indicating strongly disagree, 2 disagree, 3 neither agree nor disagree, 4 agree and 5 strongly agree. The main research instrument was an interviewer administered survey. The research instrument was developed using the conceptual base of the dimensions of situational influence and the contextual basis of the focus group outcomes.

Second stage: Two focus groups studies were undertaken with respondents on snack foods purchase. People who came to branded and non-branded eateries of Puduchery in the month of September 2013 were studied separately. A panel initially assessed these for face validity and it was then pilot tested on forty respondents. Cronbach's alpha was used as a test for internal validity and the resulting value of .829 was considered satisfactory. The experiences of the focus group respondents gave an insight into the dimensions of situational behavior related to snack food purchase behavior. The research questions that had emerged from the literature review were operationalized through the focus groups to provide suitable contextual items and terminology for specific buyer behavior relating to situational influence.

### Identifying the Situational Influence Dimensions

The objective of this stage was to identify the situational influence dimensions as perceived in consumers' mind while purchasing snack products, rather than the individual differences in how the different people respond to the questions. All the questions were factor-analyzed using principal component analysis as the extraction method with varimax rotation and selected sorting by size. The loading value 0.50 and above are taken and below 0.50 loading questions were omitted because of purification purpose. This analysis

helped to reduce the total variables to a smaller subset called components.

Table-1: Factor Analysis with Various Situations towards Snack Food Purchase

Factors	Loading
Social influencing situation	
I get a chance to meet my friends when I come to this shop.	
I am attracted as I believe I can meet a few known faces around.	.897
I love to dine only with matching clientele.	.874
This shop is always preferred by my family.	.856
I felt to come to this shop as I felt I should keep people accompany me happy.	.830
I feel my self-image enhanced when I come to this shop.	.829 .730
Store merchandise influencing situation	.730
I like the visible configuration of merchandise inside the shop as seen from outside.	.934
I am attracted by the aroma emanating from the shop.	.895
I like the freshness associated with the items of this shop.	.855
I always find the products quite safe from best before date or date/time of manufactures.	.853
I find all food items are kept in neatly guarded shelves.	.798
Store atmosphere influencing situation	
I like the air conditioned setup inside the shop.	.887
I like the inside design of the shop.	.871
I want to come to this shop where I can avoid a crowd	.836
I go to the shop as it's on my way back home from office.	.835
I like the music playing inside this shop.	.775
Mood influencing situation	
I find myself going to the shop a pleasurable experience.	.935
I come to this shop as it brings back memories of my past days.	.926
I use the shop whenever I feel stressed.	.916
I visit to this shop swings with my mood.	.864
Store personnel influencing situation	
I prefer to buy from the shop as salesmen always make use of gloves.	.919
I always find the sales men as neat and tidy.	.894
The salesmen have been provided neat uniform.	.873
I feel the salesmen are quite friendly here.	.833
Momentary condition influencing situation	
I am compelled because I feel dead tired after a day's hard work.	.937
I needed to come to this shop as I felt sleepy.	.908
I needed to come to this shop to break monotony.	.882
I prefer to go on days of months when I have money.	.857
Impulse consumption situation	
I needed to come to this shop because of my urge to eat something.	.917
I buy now as this product is available only in this season.	.889
I want to break for a snack now as I will not get time later.	.852
Relaxing situation	.880
I come here just to while away my time (Time pass).  I come to spend my weekends.	.880 .878
I use it to enliven me during the times of cold or hot weather condition.	.878
Gift giving situation	.844
I use the shop when I have to gift someone.	.904
I prefer to places festival orders for distributing goodies to my neighbors from this shop.	.904
We often use the shop to celebrate events like birthdays, promotion etc.	.844
we often use the shop to celebrate events like bilingays, promotion etc.	.844

Summary statistics	F1	F2	F3	F4	F5	F6	F7	F8	F9
Eigen values	6.185	4.583	4.107	3.590	3.033	2.836	2.429	1.774	1.374
% of variance explained	16.72	12.38	11.10	9.70	8.20	7.66	6.56	4.80	3.71
Cum % of variance explained	16.72	29.10	40.20	49.91	58.11	65.77	72.33	77.13	80.84

N=180; sample = all respondents; units= factor loadings

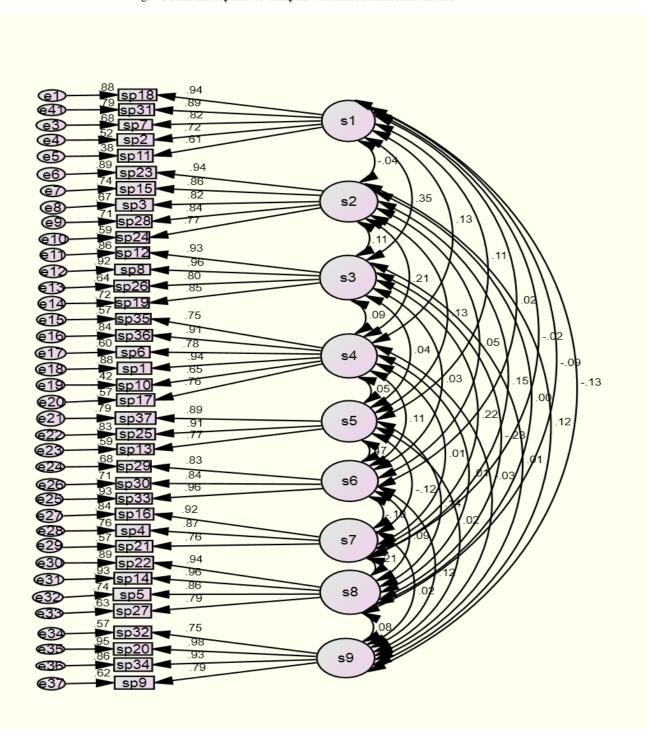
The above table shows the factor analysis of various situations towards snack food purchase decision. The rotated component matrix of the 37 questions indicated nine components explaining a total of 80.84% of variance for entire set of variables and they can be easily

interpretable. These dimensions were named as social influencing situation, store merchandise influencing situation, store atmosphere influencing situation, mood influencing situation, store personnel influencing situation, momentary condition influencing situation,

impulse consumption influencing situation, gift-giving situation and relaxing situation, which present a higher degree of variability among

consumers.

Fig 1 Confirmatory factor analysis with nine situational factors.



The above figure shows the Confirmatory factor analysis with nine situational factors. The factor analysis conducted is the first stage of purification. The second stage was to determine the extent to which the nine dimensions were robust over a new subject, a confirmatory factor analysis was conducted, estimating nine factors for 37 situations (Fig.1). When the nine factors were allowed to correlate, the fit statistics suggested a good model fit (Fig.1). The confirmatory fit index (CFI) = .90, goodness-of-fit index (GFI) = .74, adjusted goodness-of-fit index (AGFI) = .69, RMSEA = .07 and Chisquare = 1162.33 (with 593 degrees of freedom; p < .01). The list of

the final set of situations that measure the nine dimensions of

situational influence is given in Appendix A.

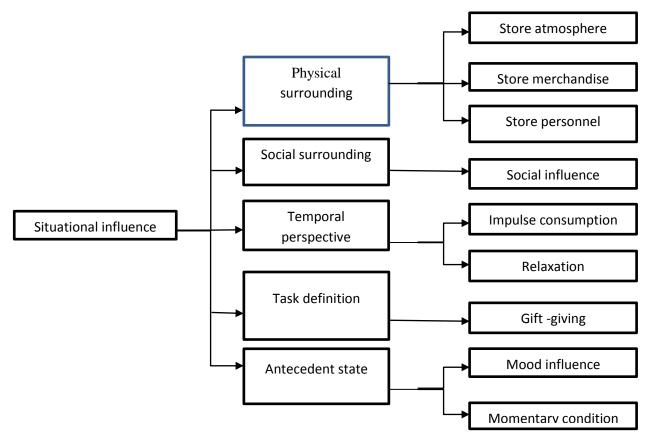


Fig.-2: A Situational Influence Framework

The above figure shows the framework of situational influence, which includes nine dimensions derived from five situational characters based on 37 situations.

### Summary of the research

The objective of this research was to develop a frame work of situational influence dimensions and a reliable and valid scale to measure the dimensions of situational influence of snack food purchasing and consumption in eateries. A total of 180 subjects were surveyed at branded and non-branded eateries on thirty seven situation-based questions to identify the situational influence dimensions. The result of an exploratory principal component factor analysis suggested that situational influence on snacks purchase has nine distinct situational dimensions: social influencing situation, store merchandise influencing situation, store atmosphere influencing situation, mood influencing situation, store personnel influencing situation, momentary condition influencing situation, impulse consumption influencing situation, gift-giving situation and relaxing situation. The high level of reliability of the nine dimensions was established through Cronbach's alpha calculation. The confirmatory factor analysis was used to establish the robustness of the situational influence dimensions. In summary, the result of these analyses demonstrates that the nine situational influence dimensions, as represented by the 37-item situational influence scale, is reliable, valid, and generalizable for snack food purchasing.

This scale has been developed to specifically suit to situational influence on snack food purchase. In future scale can be developed to suit to situational influence of different impulsive products. This scale will help marketers to better understand their customers and help them serve customers in more effective manner.

### Appendix-A

**Table-2: Situational Influence Scale** 

Situations	Mean	S.D	Factor name	Mean	S.D
I get a chance to meet my friends when I come to this shop.	2.65	1.23			
I am attracted as I believe I can meet a few known faces around.	2.56	1.03			
I love to dine only with matching clientele.	2.67	1.14	Social influencing situation	2.67	.71
This shop is always preferred by my family.	2.76	1.15			
I felt to come to this shop as I felt I should keep people accompany me	2.59	1.12			

happy.						
I feel my self-image						
enhanced when I	2.57	.98				
come to this shop.  I like the visible						
configuration of						
merchandise inside	3.43	1.09				
the shop as seen from	3.43	1.07				
outside						
I am attracted by the						
aroma emanating	3.44	1.29				
from the shop						
I like the freshness			Store			
associated with the	3.60	1.07	merchandise	3.75	.85	
items of this shop.			influencing situation			
I always find the			Situation			
products quiet safe						
from best before date	3.83	1.29				
or date/time of						
manufactures						
I find all food item						
kept in neatly	3.67	1.10				
guarded shelves.						
I like the air	2.65	1 40				
conditioned setup	2.65	1.48			1.03	
inside the shop.  I like the inside						
design of the shop.	2.50	1.26				
I want to come to this			Store			
shop where I can	2.57	1.14	atmosphere			
avoid a crowd	2.57	1.17	influencing	2.72		
I go to the shop as			situation			
it's on my way back	2.61	1.07				
home from office						
I like the music						
playing inside this	2.77	1.14				
shop.						
I find myself going to						
the shop a	2.81	1.24				
pleasurable						
experience.						
I come to this shop as						
it brings back memories of my past	2.89	1.30	Mood			
days.			influencing	2.71	1.16	
I use the shop			situation			
whenever I feel	2.61	1.32				
stressed.	2.01	1.32				
I visit to this shop						
swings with my	2.68	1.28				
mood.						
I prefer to buy from						
the shop as salesmen	3.56	1 61				
always make use of	3.30	1.61				
gloves.			Store			
I always find the			personal			
sales men as neat and	3.58	1.43	influencing	3.39	.94	
tidy.			situation			
The salesmen have	2.20		2111111111			
been provided neat	3.29	1.34				
uniform.	2.20	1.01				
I feel the salesmen as	3.28	1.21				

			1		
quiet friend here.					
I am compelled because I feel dead tired after a day's hard work.	3.11	1.42			
I needed to come to this shop as I felt sleepy.	2.85	1.50	Momentary condition influencing	3.05	1.05
I needed to come to this shop to break monotony.	2.82	1.12	situation		
I prefer to go on days of months when I have money.	2.93	1.12			
I needed to come to this shop because of my urge to eat something.	2.38	1.65	Impulse		1.35
I buy now as this product is available only in this season.	2.50	1.17	consumption situation	2.57	
I want to break for a snack now as I will not get time later.	2.72	1.31			
I come here just to while away my time (Time pass).	2.77	1.25		2.77	1.22
I come to spend my weekends.	2.95	1.51	Relaxing situation		
I use it to enliven me during the times of cold or hot weather condition.	2.89	1.24	Situation		
I use to shop when I have to gift someone.	2.84	1.53			
I prefer to places festival orders for distributing goodies to my neighbors from this shop.	3.10	1.53	Gift giving situation	3.13	1.09
We often use the shop to celebrate events like birthdays, promotion etc.	2.77	1.22			

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## Job Autonomy and Job Involvement as a Cause for Turnover Intention of the Women Employees with Job Satisfaction as a Moderator

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Job Autonomy Job Involvement Turnover Intention Job Satisfaction Moderator ABSTRACT

Women are faced with integrated multiple roles of wife, mother and employee, it is likely the patterns and dynamics of family relationships will be impacted. Women have entered a new paradigm that necessitates the mastery and successful co-ordination of additional and unfamiliar roles. The present article shows cases of the mentioned antecedents namely job autonomy and job involvement on the consequence of turnover directly and indirectly with job satisfaction as a moderator intention of the employees. The findings and the outcomes of the study are being derived using various statistical techniques.

### Introduction

The growth rate for women entering the workforce is expected to be greater than men. The work or family domain includes factors both objective and subjective in nature that capture ones work or family experience. This includes work or family characteristics, role stress and social support. Specifically, work characteristics include tenure at organizations, nature of the organization, income and level of work autonomy. For the family domain several family characteristics are included such as number of children, age of the children, number of dependents, age of dependents, marital status, and spouse work. The relationship between these dual roles has thus become a topic of interest among organizational researchers. In most studies, researchers have found that carrying out these dual roles often leads to work family conflict for both men and women. The profound demographic trends have elevated the need to understand and manage the interface between work and family (Fraser., 2001).

The acquisition of a role requires an individual to take personal as well as the formal expectations of a specified role or position.

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Although women are working more outside the home than ever before, in home division also the labour is more than equal now than in the past (Barnett and Hyde, 2001; Gilbert and Rader, 2001). Working mothers still are expected to be responsible for the majority of household and child care works (Riggs, 1998).

The social belief that women should work and care for their families often conflicts with the limited choices and social realities that women face (Covin and Brush, 1991; Gilberth and Rader, 2001; Paden and Buehler, 1995; Phillips and Imhoff, 1997). Work responsibilities and family obligations compete for time and attention in most working adults. Successfully negotiating the interface of these life domains is challenging.

When individuals allocate most of their time to one arena, the less they will have to allocate to the other resulting in role conflict. Role conflict experienced by women is the subjects of concern and interest that have been addressed by the researchers (Amatea and Beyette, 1987; Etangh and Gilomen, 1987; Greenstein, 1995; Majewski, 1986; Pina and Bengston, 1993; Spitze, 1998).

The boundaries between work and family were asymmetrically permeable when the demands from one domain intruded into the other domain with unequal frequency (Pleck, 1985). Among women family demands would intrude into the work role than work demands would intrude into the family role because they assumed primary responsibility for managing home related demands. In contrast, among men work demands would intrude into the family role more than the reverse because they were likely than women to take work,

home and more likely to use family time to recuperate from the stresses they face in the work place.

This pattern shows that work to family conflict is more prevalent than family to work conflict suggesting that family boundaries are more permeable than work boundaries (Eagle et al., 1997; Frone et al., 1992a; Gutek et al., 1991; Wiley, 1987). It seems clear that family and work are the most central domains for nearly everyone (Mortimore, Lorence, and Kumka, 1986).

Traditionally, people have allocated their time to these two domains along gender lives. Work /Non work conflict refers to the challenge many of us face trying to juggle work responsibilities with aspects of one's personal life such as caring for ones aging parents or young children.

Many studies have focused on developing and testing models regarding the antecedents and outcomes of work family conflict (e.g., Frone, Russell, and Cooper, 1992; Grandey and Cropanzano, 1999). However, when individuals are able to allocate their time and energy to meet the demands of each domain, they feel successful in balancing work and family. This is consistent with past literature that has defined work family balance in terms of satisfactorily resolving competing demands emanating from the work family domains.

The research supports that many managers in organizations cite issues with lost time at work, lack of motivated workers and loss of worker productivity resulting from work family conflicts. Absenteeism, employee turnover and job satisfaction attributable to the existence or nonexistence of quality of work life concepts in the workplace are also concerns of managers as cited in the research.

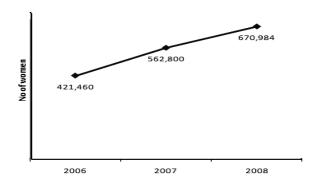
In addition to the roles, there also appears to be a growing concern on the part of the organizations, regarding employee-organizational linkages, or the connection an employee feels towards an organization. Mowday, Porter and Steers (1982) stress that the extent and quality of employees organizational linkages provide important consequences for individual organizations and society and are greatly affected by the social changes taking place.

### About the Industry

The Indian Information technology and Business Processing Outsourcing (IT-BPO) Industry has emerged as the largest private sector employer in the country, with direct employment of 2.23 million professionals and indirect employment of over eight million people in different industry sectors.

This trend has a direct impact on the positions held by women in IT, then the number of women employed in the Indian IT industry has increased. This is a consequence of various factors include the following:

- The number of women graduating from engineering colleges has been on the rise.
- The idea of a working spouse is more widely accepted.
- The IT-BPO industry is generally perceived to offer a safe friendly work environment.



Source: Mercer-NASSCOM Gender inclusivity building empowered organisations study 2008

Figure 1.1 Women in IT workforce

Despite the fact that many women leave the workforce, as they progress through ranks, data shows that women are more loyal to their employers than men and leave for very different reasons. While men leave for career opportunities, women tend to leave for personal reasons. Organizations, insisting in the career development of their female workforce, stand to gain in many ways from this talent "Brain Drain". The leaking pipeline report shows that across regions, globally, the percentage of working women in the 30 and above age group is significantly lower than that of women in their 20's indicating that this is the stage when women tend to leave the workforce. This is true in India as well, where women often leave the workforce due to the inability to achieve a strong workforce balance.

For the Indian IT-BPO industry the down turn in 2008-09 signaled the beginning of a new order and a paradigm shift in the way IT-BPO industry operates. This crisis, as an opportunity by not only exhibiting resilience but also sustaining growth.

### **Review of Literature**

### Job Autonomy

Job autonomy is defined as "The degree to which the job provides substantial freedom, independence and discretion to the individual in scheduling the work and in determining the procedure to be used in carrying it out (Ilgen and Hollenbeck, 1992).

Ettner and Grzywacz (2001) noted that respondents who reported being self-employed and working part time are having greater autonomy. Autonomous jobs allow individual to make more decisions on their own control, the speed of their work and have more freedom (Schwalbe and Michael., 1985). Schwalbe and Michael (1985) asserts that in many workplace cultures having a job that is autonomous is a badge of status, an indicator of a job skill and responsibility of demands and perhaps most important a reward for reliable and competent performance.

Individuals in such work roles may feel particularly a strong sense of commitment to and identity with their work (Bielby and Bielby, 1989). Studies of women find that greater job autonomy reduces the distress associated with having children under age eighteen in the home (Lennon and Rosenfield, 1992).

Jobs, that are routine, have little autonomy and are unsafe can threaten the wellbeing of employed women (Ross, Willigen, 1997) creating a double disadvantage for employed women already under burden of home to work conflict.

Research has shown job autonomy to directly impact work family conflict (Aryee, 1992). Job autonomy thus provides a resource that workers can draw upon in juggling work and family roles.

### Job Involvement

The work involvement represents the degree to which the individual's job is central to his / her self-concept and identity. Lodahl and Kejner (1965) conceptualized job involvement as an internalization of work values such that an individual derives self-esteem from involvement in the job. Khan (1990) embedded the concept of job involvement within a broader construct of psychological climate.

Brown (1996) found that the relationship between psychological climate and effort was completely mediated by job involvement. Furthermore, the relationship between job involvement and performance was found to be indirect and mediated by effort.

Specifically, Adams et al., (1996) found that when job involvement was high, perception of work interfering with family was also found to be high. Researchers have often confused job involvement and work involvement or work centrality. Job involvement is a belief descriptive of one's current job and assesses the degree to which the job can satisfy one's present needs.

Work involvement or centrality, on the other hand, consists in a normative belief about the importance of value and role of work in general in one's life (Aryee and Luk, 1996). Some demographic variables believed to be associated with work involvement for instance, older workers have been generally found to have higher work involvement than younger workers, since being more socialized into work and having interested historical events that strengthened their work values.

The fact that women still assure greater responsibility for family may help explain their lesser degree of work involvement (Spence, 1985). Paradoxically, married women individuals generally report greater levels of work involvement probably due to their family responsibilities.

Women are exposed to greater guilt and time pressure in meeting family demands due to their involvement in a non-traditional role. Conversely, men are more sensitive to the demands emanating from the work role due to societal expectations (Brown, 1996). These variables in addition to others such as education co-vary considerably with other constructs and have generally displayed weak correlations with work involvement.

### Research methodology

### Objectives of the study:

- To study the impact of Job autonomy and job involvement as a cause for turn over intention directly.
- To study the impact of job autonomy and Job involvement as a cause on turn over intention of the employees with job satisfaction as a moderator.

### Hypothesis adopted for the study:

- $H_1$  There is no significant relationship between Job involvement and Job autonomy
- H<sub>2</sub> There is no significant impact of Job autonomy on job satisfaction
- $\mathrm{H}_3$  There is no significant impact of Job involvement on Job satisfaction

- $\ensuremath{H_4}-$  There is no significant impact of Job satisfaction on Turn over intention
- $\ensuremath{H_{5}}$  There is no significant impact of Job Involvement on Turn over intention
- $H_{\mbox{\scriptsize 6}}$  There is no significant impact of Job autonomy on Turn over intention

The research design adopted in the study is the descriptive research design. A set of suitable questions was framed to satisfy the objective of the study with the help of the previous studies and literature review for the selected variables. Suitable statements have been identified and drafted so as to match the variables included in the research work. The statements were tested for reliability and validity

A structured questionnaire has been used for gathering data from respondents for the study, which was further redrafted based on the results of the pilot study with 50 respondents and tested for reliability. Questionnaire consists of both qualitative and quantitative items. Besides, multiple choice questions, different types of scales are used to measure the respective variables.

### Validity and Reliability

Reliability of scales is tested with cronbach alpha. The following are the alpha values for respective scales that have satisfied the minimum requirement of 0.7.

Table-1: Reliability Values of the Variables

Causes	Reliability
Job autonomy	0.762
Job involvement	0.809
Consequences	
Turnover	0.876
Moderator	
Job satisfaction	0.790

### **Research Tool**

Various statistical tools are employed for the purpose of analyzing the data. Factor analysis has been adopted to segment the individual variables. Structural equation modeling technique is administered to study the impact of two independent variables on the dependent variable along with the moderator.

Table-2: Factor 1: Job autonomy

S.No.	Statement	Loading	Eigen value	% of variance	Cronbach alpha	
1	I set my own schedule for completing assigned tasks.	.812				
2	I have the authority to initiate projects at my job.	.673	1.328	5.857	0.777	
3	I have a lot of freedom to decide on how to do my job	.663				

This factor comprises of four statements barring one with the loading factor less than 0.45. So, only three statements with the loading factor ranging from 0.812 to 0.663 are taken into consideration. The eigen value is 1.328 with 5.857 per cent variance. The reliability co-efficient is 0.77. The above statements denote the freedom and authority in the job that an employee can enjoy. Job autonomy is the suitable term that can be called for this factor.

Table-3: Factor 2: Job involvement

S.No.	Statement	Loading	Eigen value	% of variance	Cronbach alpha
1	I am really a perfectionist about my work.	.620			
2	I am very much involved personally in my work.	.588	1.219	5.232	0.693
3	The major satisfaction in my life comes from my job.	.561	1.219	3.232	0.093
4	The most important things that happen to me involve my work.	.553			

The last factor comprises of five statements signifying the individual's involvement in the job. One statement with the loading factor less than 0.45 is suppressed. For the rest of the four statements the loading value ranges from 0.620 to 0.553 with the eigen value of 1.209 and 5.232 per cent of variance. The reliability co-efficient is 0.629. This factor is labeled as job involvement because all the statements above give a similar meaning in their own concept.

**Table-4: Factor 3: Job Satisfaction** 

S.No.	Statement	Loading	Eigen value	% of variane	Cronbach alpha
1	When I do a good job, I receive due recognition for it.	.752			
2	Those who do well on the job stand a fair chance of being promoted.	.720	2.303	9.827	0.749

3	The benefits I receive in my organization are as good as most other organizations offer.	.674	
4	My supervisor is quite competent in doing his /her job.	.659	
5	I feel I am being paid a fair amount for the work I do.	.626	

The next factor consists of seven statements out of which two statements with loading factor less than 0.45 are suppressed. The loading factor for the rest of five statements ranges from 0.752 to 0.626. The Eigen value for this factor is 2.303 and the percentage of variance is 9.827. The reliability coefficient alpha is 0.749. The above statement signifies the wellbeing of an individual in the job and in the organization. Thus, the name job satisfaction is given.

**Table-5: Factor 4: Turnover Intention** 

S.No.	Statement	Loading	Eigen value	% of variance	Cronbach alpha
1	I may look for a job at some other company in the near future.	.793		6.915	
2	If I get a better opportunity, I will switch over.	.764	1.337		0.646
3	I am continuing in this organization because I have no other alternative offer.	.615			

The next factor consists of five statements and two statements are suppressed because the loading factor is less than 0.45. For the rest three statements the loading factor ranges from 0.793 to 0.615 and the eigen value is 1.337 and accounting for the 6.915 per cent of variance. The reliability is 0.646. Since the above statements discuss the intentions of the employee to switchover, hence the term turnover intention.

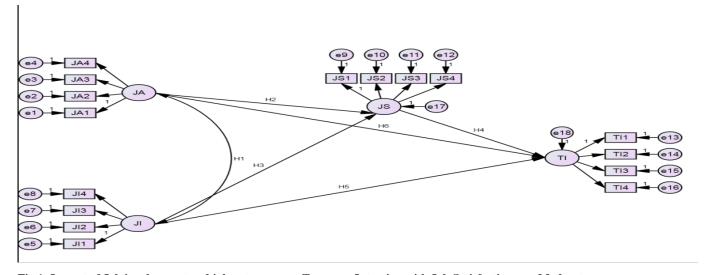


Fig 1: Impact of Job involvement and job autonomy on Turnover Intention with Job Satisfaction as a Moderator

Table-6: Table Showing the Root Mean Square Estimates RMSEA

Model	RMSEA
Default model	.076
Independence model	.185

Table-7: Goodness of fit model GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.070	.916	.884	.660
Saturated model	.000	1.000		
Independence model	.249	.534	.472	.471

Table-8: Variances

	Estimate	S.E.	C.R.	P
JA	.203	.036	5.672	***
JI	.113	.025	4.559	***
e17	.142	.024	5.815	***
e18	.984	.122	8.094	***
e1	.662	.041	16.007	***
e2	.516	.041	12.439	***
e3	.396	.035	11.208	***
e4	.558	.043	12.978	***
e5	.580	.036	16.324	***
e6	.399	.042	9.607	***
e7	.465	.046	10.078	***
e8	.556	.034	16.166	***
e9	.547	.036	15.079	***
e10	.653	.048	13.654	***
e11	.560	.046	12.061	***
e12	.601	.045	13.364	***
e13	.650	.107	6.081	***
e14	.612	.075	8.208	***
e15	1.234	.073	16.799	***
e16	1.020	.060	17.007	***

Table-9: Correlation between Job Autonomy and Job Involvement

			Estimate
JA	$\leftrightarrow$	JI	.492

**Table-10: Covariance Estimates** 

			Estimate	S.E.	C.R.	P
JA	<>	JI	.075	.013	5.740	***

**Table-11: Regression Weights** 

			Estimate	S.E.	C.R.	P
JS	<	JI	.541	.108	5.018	***
JS	<	JA	.318	.070	4.514	***
TI	<	JS	724	.177	-4.080	***
TI	<	JA	431	.163	-2.640	.008
TI	<	JI	178	.229	780	.436
Jobatmy1	<	JA	1.000			
Jobatmy2	<	JA	1.689	.162	10.431	***
Jobatmy3	<	JA	1.660	.157	10.597	***

			Estimate	S.E.	C.R.	P
Jobatmy4	<	JA	1.660	.161	10.325	***
JobInv3	<	JI	1.000			
JobInv2	<	JI	2.242	.261	8.581	***
JobInv1	<	JI	2.330	.272	8.570	***
JobInv4	<	JI	1.056	.153	6.912	***
JobSat2	<	JS	1.000			
jobSat6	<	JS	1.393	.137	10.161	***
JobSat3	<	JS	1.545	.145	10.631	***
JobSat5	<	JS	1.389	.135	10.275	***
TurnOver1	<	TI	1.000			
TurnOver3	<	TI	.808	.072	11.162	***
TurnOver5	<	TI	.312	.050	6.269	***
TurnOver2	<	TI	.214	.044	4.875	***

### Findings of the Study

### Hypothesis adopted for the study:

$\mathbf{H}_1$	There is no significant relationship between Job involvement and Job autonomy.	Rejected
$H_2$	There is no significant impact of Job autonomy on job satisfaction.	Rejected
$H_3$	There is no significant impact of Job involvement on Job satisfaction.	Rejected
$H_4$	There is no significant impact of Job satisfaction on Turnover intention.	Rejected
$H_5$	There is no significant impact of Job Involvement on Turnover intention.	Rejected
$H_6$	There is no significant impact of Job autonomy on Turnover intention.	Rejected

### **Analysis and Interpretation**

Structural equation modeling has been adopted to study the direct and indirect impact of job involvement and job autonomy as an antecedent on Turnover intention of the employees with job satisfaction as a mediator. It depicts the relationship among all the variables involved in the analysis. In this model job involvement and job autonomy are considered as independent variables and turnover intention is the dependent variable with job satisfaction as the moderating factor. The straight arrow depicts a dependence relationship, the impact of one variable on another variable causes or antecedents to the effect or outcomes.

The simple correlation is depicted with a two headed curved arrow to show the degree of association that gives rise to their relationships. With estimates for each path an interpretation can be made of each relationship represented in the model. The regression estimate between Job involvement on job satisfaction is found to be the highest (0.541) followed by the impact of Job autonomy on Job satisfaction. There is a negative impact of Job satisfaction on turnover intention which means that if one increases the other decreases (-0.724). The standard error for each estimate is presented in the table.

All the regression estimates are found to be significant except Job autonomy on Turnover intention and Job involvement on turnover intention. The correlation between Job autonomy and job involvement is found to be significant which the result of the estimate is derived from co-variances.

The goodness of fit is found to be 0.916 which signifies that the model is a fit model for interpretation. The lower root means residual values represent better fit and higher values represent worse fit. In the above model RMR value is estimated to be 0.000 and proves to be a good fit. The root mean square error of approximation is another measure that attempts goodness of fit test.

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# **Moderating Role of Demographic Characteristics on Customer Satisfaction** in Telecommunications Industry

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Customer satisfaction Perceived value Demographic Relationship ABSTRACT

Customer satisfaction is an important strategic objective for all the firms. Previous studies have investigated the factors responsible for customer satisfaction in various contexts. However, most research on this relationship has largely neglected the issue of moderator variables. Addressing the question of how do demographic characteristics influence the strength of the relationship between perceived value and satisfaction is the main purpose of this paper. Using questionnaire survey, the effect of demographic characteristics (gender, age, family status, education, and income) on perceived value of mobile services and customer satisfaction has been analyzed. The sample consisted of 500 Airtel customers in chittoor district. The empirical results show that there is association between demographic characteristics and customer satisfaction. The findings of this study provide some understanding to brand managers and academia on the effect of demographic characteristics on consumer purchasing behavior.

### 1. Introduction

The service sector in India has become a dominant sector for the economic development of India since 1990's. Though there are number of service segments in the service sector, telecom services is contributing to the sectorial development to a greater extent. The telecommunications sector is playing vital role in the economic advancement of developed as well as developing countries.

Mobile market in India is very robust and is the second largest mobile telecom market in the world, adding nearly 20 million subscribers every month. This rapid growth in the mobile segment has been driven by an enabling policy framework and intense

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competition. With up to 12 competing operators in a circle, the tariffs in India are the lowest as compared to global benchmarks. And with Mobile Number Portability introduced in India, the competition will only increase further. In such a hyper-competitive scenario service providers make an all out effort to attract and retain customers. Despite this new emphasis on customer retention and the acceptance that managers need to understand and know how customer retention can be achieved. Also few researchers indicated that customer satisfaction is dependent on demographic characteristics. The present study explains the impact of demographic profile of the respondents on perceived value of mobile services and customer satisfaction.

### 2. Objectives of the Study

The following objectives are set out to achieve through this study.

- To study the relationship between demographic characteristics and Customer Satisfaction.
- To recommend alternative actions to improve customer satisfaction of the customers.



Figure 1: Conceptual model

Source: Developed by author for the Study

#### **Demographics**

The demographic/socio-economic characteristics of the respondents include gender, age, education, occupation, monthly income, marital status and residential area. The frequencies and percentages for the variables are shown in the **Table 1**. Several characteristics are worth noting. While sample included different categories under each variable, certain categories have got predominant place. Accordingly, the respondents are mostly male (63.2%), younger (20-40 years, 60%), well educated (post graduates and graduates, 80%).

Table-1: Demographic Characteristics of the Sample

Item		
Gender	Frequency	Percent
Male	316	63.2
Female	184	36.8
Total	500	100
Age	Frequency	Percent
<20	29	5.8
21-30	162	32.4
31-40	149	29.8
41-50	68	13.6
51-60	80	16
61<	12	2.4
Total	500	100
Education	Frequency	Percent
SSC or SSLC	40	8
Intermediate	59	11.8
Graduate	190	38
PG and above	211	42.2
Total	500	100
Occupation	Frequency	Percent
Government Service	71	14.2
Private Service	102	20.4
Housewife	86	17.2
Student	123	24.6
Self Employed	102	20.4
Others	16	3.2
Total	500	100
Monthly_Income	Frequency	Percent
Dependent	158	31.6
<15000	79	15.8
15001-25000	121	24.2
25001-50000	96	19.2
F0001 100000	4.6	9.2
50001-100000	46	7.2
Total	500	100
	500 Frequency	
Total	500	100

Total	500	100
Family_Status	Frequency	Percent
Single	123	24.6
Married without children	42	8.4
Married with children living at home	247	49.4
Married with children no longer living at home	88	17.6
Total	500	100

### **Cellular Service Affiliations**

The sample represents Airtel customers consisting of two distinct segments, pre-paid and post-paid customers. The largest portion of the respondents was pre-paid users (81.4%) and only 18.6% of the respondents were post-paid users. Table 1.2 shows the details.

Table-2: Type of Cellular Service and Affiliation Characteristics

Scheme	Frequency	Percent
Pre paid	407	81.4
Post paid	93	18.6
Total	500	100
How long	Frequency	Percent
<2 years	73	14.6
2-4 years	164	32.8
4-6 years	162	32.4
6< years	101	20.2
Total	500	100

Affiliation characteristics refer to the length of patronage of customers to the service provider. The average length of patronage is around three years in 65% of the respondents. The remaining 35% are distributed as shown in the table 2.

### 3. Research Methodology

### Hypotheses

Based on the theory and conceptual frame work the following hypotheses were developed.

- $H_1$ : There is no significant difference between genders with reference to customer satisfaction (CS).
- H<sub>2</sub>: There is no significant difference between age groups with reference to customer satisfaction.
- $H_3$ : There is no significant difference between education levels with reference to customer satisfaction.
- H<sub>4</sub>: There is no significant difference between different occupations with reference to customer satisfaction.
- $H_5$ : There is no significant difference between income levels with reference to CS.

 $\mathrm{H}_{6}$ : There is no significant difference between Family statuses with reference to CS.

### **Population and Sample**

The study was conducted in Chittoor district to understand the impact of demographic variables on customer satisfaction. 500 customers were selected in Chittoor district for this study.

#### Data collection

The data required for this study were collected from primary and secondary sources. The structured questionnaire was developed to collect the data for this study. Questionnaire pre-testing was conducted through consulting with experts and some modifications were made to the original questions. The data were analyzed by using the SPSS Package in this study.

#### 4. Results and Discussion

# $\mathbf{H}_1$ : There is no significant difference between genders with reference to CS.

This hypothesis has been tested by employing Z-test (Table 3). Quality of mobile services, connectivity and all dependent variables were taken. Z-test has been used to find out the significant difference between customer satisfaction and gender. P-value is greater than 0.05, hence the above hypothesis is not rejected. So, there is no significant difference in CS between genders. This implies that, CS of Airtel customers is independent of the respondent's gender.

Table-3: Z-Test for Gender and CS

Gende	r	Mean	SD	z-value(p-value)
CC	Male	17.59	2.805	0.215ns(0.278)
CS	Female	17.65	3.098	0.213118(0.278)

NS: Not significant at 0.05 level

# $\mathbf{H}_2$ : There is no significant difference between age groups with reference to CS.

This hypothesis has been tested by using one-way ANOVA. The results obtained from the ANOVA reveal that there are significant differences among age groups with reference to the mean scores of CS. The corresponding F-value is given by 2.741 which is highly significant at 1% level (Table 4). The CS of customers between age groups 21-30 is high when compared to other age groups. This implies that, customer satisfaction is dependent on respondent's age.

Table-4: ANOVA between Age and CS.

Age	Mean	SD	F-value (p-value)
<20	17.1	1.8	
21-30	18.26	3.555	
31-40	17.19	1.417	2.741**(0.010)
41-50	17.29	4.364	2.741**(0.019)
51-60	17.44	2.215	
61<	18.17	1.749	
Total	17.61	2.913	

# $\mathbf{H_{3}}$ : There is no significant difference between education levels with reference to CS.

**Table 5** presents the perceptions on perceived value across education categories. This hypothesis has been tested by employing one way ANOVA. With reference to the mean scores of CS, it is found that there are significant differences among the various

education levels of customers. The corresponding F- value is significant at 5% level. This implies that, CS of Airtel customers is dependent on the educational qualifications of the respondents.

Table-5: ANOVA between Educational Qualifications and CS

Education	Mean	SD	F-value (p-value)
SSC or SSLC	18.95	3.012	
Intermediate	17.63	1.541	
Graduate	17.58	3.46	3.316*(0.020)
PG and above	17.38	2.58	
Total	17.61	2.913	

# $H_4$ : There is no significant difference between different occupations with reference to CS.

From the table 6, it is observed that there are significant differences among various occupations of customers with respect to mean scores of CS. The corresponding F-value is given by 3.858 which is highly significant at 1% level. Hence CS is dependent on the occupation of the customers. CS of housewives is more when compared to the respondents of other occupations.

Table-6: ANOVA between Occupation and CS

Occupation	Mean	SD	F-value (p-value)
Government Service	7.86	0.542	
Private Service	7.69	0.856	
Housewife	7.93	0.455	2.050**(0.000)
Student	7.46	1.527	3.858**(0.002)
Self Employed	7.74	0.9	
Others	7.06	1.389	
Total	7.69	1.028	

## $H_5$ : There is no significant difference between income levels and CS.

**Table 7** shows the results of perceptions of the respondents across income levels. The ANOVA test conducted indicates that the proposed null hypothesis is highly significant at 1% level of significance; hence the proposed null hypothesis is not accepted. So, we can conclude that there is significant difference between monthly income of respondents and CS. The CS of the income group < 15000 is more when compared to other age groups.

Table-7: ANOVA between Monthly Income and CS

Monthly Income	Mean	SD	F-value (p-value)
Dependent	17.45	2.927	
<15000	18.94	3.949	
15001-25000	17.21	1.898	5.185**(0)
25001-50000	17.32	3.265	3.183**(0)
50001-100000	17.52	1.13	
Total	17.61	2.913	

# H<sub>6</sub>: There is no significant difference between Family statuses with reference to CS.

According to table 8, with reference to the mean scores of CS, there are significant differences among various types of family statuses of customers. The corresponding F-value is 3.361 which is highly significant at 1% level. So, there is significant relationship between family statuses and CS of Airtel customers. Hence we can conclude that CS is dependent on their Family statuses of the respondents.

Table-8: ANOVA between Family Status and CS

Family Status	Mea n	SD	F- value
Single	18.2 2	4.02 8	
Married without children	17.3 3	1.69 2	3.361*
Married with children living at home	17.5 8	1.81 7	*
Married with children no longer living at home	16.9 8	3.77 8	(0.019)
Total	17.6 1	2.91	

#### 5. Conclusions and Recommendations

The present paper investigated the impact of demographic variables on customer satisfaction. The findings suggest that gender has no impact on customer satisfaction. And all the remaining variables like age, income, occupation, educational qualifications and family status influence customer satisfaction. Hence the marketers can devise suitable strategies keeping in view of the above results to improve the satisfaction levels of customers. Also, there are many other factors like quality of mobile services, perceived value and switching costs that influences customer satisfaction. So marketers need to understand the importance of each variable in maximizing customer satisfaction.

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# Employees' Performance in MNCs in India: A Comparison of Foreign Management with Indian Management

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Performance Morale Productivity Employees' Commitment ABSTRACT

India adopted the policy of LPG (Liberalization, Privatization and Globalization) in 1991. The businesses started operating across borders. Many foreign companies entered within the boundaries of India. They had, altogether, a different HR perspective that had, to a great extent, impact on traditional HR practices of India. This paper is a sincere endeavor to study employees' performance in different management styles.

### Introduction

In today's times the businesses have started operating across the borders, competition has increased manifold. Now the international standards have to be strictly adhered to. Organizations are compelled to resort to cost-cutting and downsizing. Quality standards have to be adhered to; incessant flow of goods and services have to be maintained in the markets; prices have to be kept competitive and consumers have to be satisfied. This, undoubtedly, calls for excellence in performance on the part of the members of the organization. Managers, now, have to define the standards of performances, and they have to ensure that individual employees as well as teams know very clearly what is expected of them, and that they stay focused on effective performance.

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Now, if we talk of employees' performance in the organizations, 'performance' can be ascribed as behaviour. Upon consideration of performance in its purest form, it can be described as something that people can actually do and can be observed. Naturally, in most jobs, the 'behaviour' is thinking, planning, problem solving and the like. When considering performance from a working environment perspective it can only include the specific actions and behaviours which are relevant and applicable to the organisation's goals and which can be measured in terms of the individual employee's proficiency. This performance is what the organisation hires the employee to do and to do well – it is, in fact, not the consequence or result of action: it is the action itself.

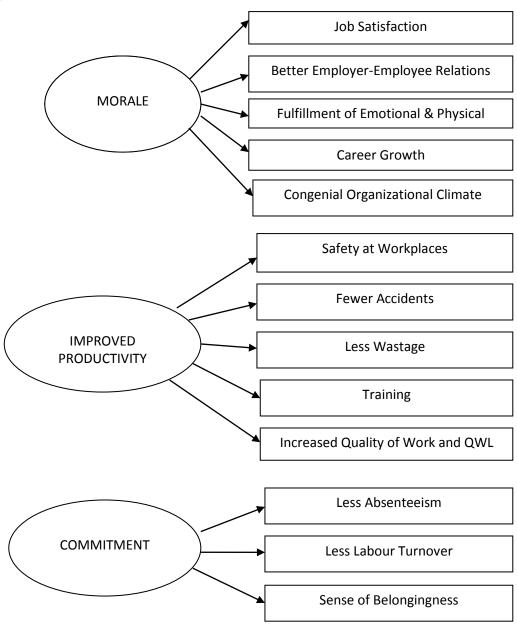
More and more, researchers have acknowledged that most employees' performance does not occur solely based on task-oriented or job-oriented features, nor is the nature of performance at work solely dependent on the social environment (Griffin, 1981, 1983). Rather, the environment in which people engage in is a mixture of cues based on the job, the organizational policies and practices, and those provided by the individuals in the environment. The empirical studies employ a social psychological approach to demonstrate that social comparison (Festinger, 1954; Kulik & Ambrose, 1992; O'Reilly & Caldwel, 1979; Oldham, Kulik, Ambrose, *et al.*, 1986; Oldham, Kulik, Stepina, *et al.*, 1986; Shah, 1998; Worchel, Juzzini, Griffin, & Jvaldi 2000), social identification

(Crisp & Hewstone, 2000; Hogg & Terry, 2001; Tajfel & Turner, 1979, 1986; Terry, Hogg, & Duck, 1999; Turner & Onorato, 1999; Wiesenfeld & Bartel, 2001; Wood, 1989), and social network relationships (Burt, 1987; Galaskiewicz & Burt, 1991; Krackhardt & Brass, 1994; Shah, 1998, 2000) affect the commitment of employees, and thus, their performance.

This paper aims at studying the organizational climate and its effect on performance of employees in electrical companies. The results of this study can be utilized by human resource managers in their attempts to develop human resource management strategic initiatives and control with regard to turnover and some factors that influence productivity and performance via attitudes and behaviors.

A myriad of variables can be used to measure performance, but keeping in mind the constraints of time, resources and length of the study, the present study has critically been analyzed and restricted to variables such as morale, productivity and commitment in order to measure the performance of employees. Various models have been referred to before arriving at the major attributes.

### **Employees' Performance**



An effort has been made here to study 'morale' with the help of vriables like 'job satisfaction', 'organizational image', 'fulfillment of physical and emotional needs' and 'career growth.

Productivity is influenced by many variables but the important ones considered in the present study are safety, accidents, wastage, training, quality of work and violence.

Employees' commitment has been measured with the help of variables such as 'labour turnover', 'sense of belonging' and 'absenteeism'.

#### **Related Studies**

Plawin & Suied (1988) concluded that policies are set but not implemented rationally. Rational, and even self-evident, as these principles may seem, it is no secret that most organizations have far to go in implementing them. For example, it has been reported that less than one third of employees surveyed perceive that their compensation is based on their performance. Arvey et al. (1989) asserted that leaders pay more attention to individual differences. Theories of and research on work motivation have generally focused on environmental determinants of attitudes and performance; even theories of personal motives have emphasized person-environment fit. More attention to habitual or even biological dispositions of the individual that may to some degree determine his or her attitudes and energy levels in all work situations, influencing performance is warranted. Katzell & Guzzo (1983) reviewed that many interventions, such as training, had obvious implications for resource improvement. Barbara (1998) suggested that if leaders assessed reduced employee competency, diagnosed some of the more prevalently observed symptoms of incompetence, analyzed their root causes, and proactively intervened in the identified barriers to competency, the outcomes would likely result in increased competence, morale and ultimately performance. Dyer & Reeves (1995) argued that employee performance is likely to be greatest when its two components, ability and motivation, are influenced in multiple, redundant ways. Griffin et al (1987) concluded that job performance depends on factors in addition to improved motivation: Resources and methods for doing the job are also important, so changes in job design are not likely to improve performance unless the new procedures are at least as efficient as the old ones (Fein, 1971)<sup>30</sup>. It is also worth noting that reactions to job characteristics depend on social cues as well as on their objective properties. Turban (1988) believed that in addition to creating groups with need complementarity, establishing groups whose members have similar attitudes and demographic characteristics has also been found to be favorable for work performance Guzzo et al. (1985) suggested of programs for selecting and developing people who can function effectively as leaders, and, can be useful for improving the performance and attitudes of group members. Kraimer et al. (2001) showed their concern to the fact that the losses of an employee who engages in undesirable work attitudes and behaviors like sabotage, theft, and negative verbal comments or has unacceptable levels of performance may lead to a boost in workgroup performance and morale as these hindering employees leave the work environment.

### Objectives of the Study

Objectives of the study are:

- 1. To examine the opinion of respondents regarding the attributes leading to enhanced employee performance.
- To make a comparative study of these attributes being practiced in Indian organizations with MNCs.
- To find out whether the positive actions on the part of management really enhance employees' performance or otherwise, and to come out with recommendations to facilitate better performance.

### **Data and Methodology**

The present study is based upon descriptive type of research design in the sense that the purpose of the study has been to portray accurately the various dimensions of the problem in the light of employees' performance in various organizations.

### Sample Size:

The sample for the present study includes the workers, officers and executives of the selected electrical companies operating in India. The process of selecting the sample is multi-stratified in nature. At the first stage four regions namely Mumbai, Pune, Baroda and Daman were selected on the basis of simple random sampling. At the second stage, one electrical company managed by the Japanese management and two electrical companies managed by the U.S. management but operating in India were selected conveniently. Apart from these, two electrical companies managed by Indian management were also selected for the study. At the third stage, the sample of 300 employees/personnel belonging to lower level and middle level were selected with the help of random sampling. The sampling frame consists of respondents above 18 years of age. 189 males and 111 females have been selected. Likewise, 61 employees belonging to Indian management, 103 belonging to Japanese management and 136 belonging to American management were selected in proportion to their number being employed in each organization. Thus, population represents the broader demographic profile of the respondents. The conclusions are drawn on the basis of data collected and summarized. The interpretations have been based on those conclusions drawn from the analysis of data and formal as well as informal talks with the workforce. Further, special care has been taken to ensure that the respondents of different age, income and departments are represented.

### **Research Instruments:**

The data have been tabulated and suitable statistical tools such as percentages and averages have been used in the analysis of the data. Also the statistical tools such as mean, mean ranks and chi square (at 0.05) have been used to find the relationship between various variables. The Kruskal Wallis Test has also been applied to find out the significance of differences (at 0.05 level) between three management groups (Japanese, American and Indian) on the different variables measuring employees' performance. The Kolmogorov-Smirnov test of normality has been used to find out the normality of distribution or otherwise.

### **Analysis and Interpretations:**

**Reliability Analysis:** An analysis was conducted for checking the reliability of the questionnaire and the results were obtained. The Cronbach's alpha (a measure of reliability) was calculated for the questionnaire. This co-efficient (0.870 for 36 items) indicates reliability as it meets the minimum acceptable level of 0.7 (Hair *et al.*, 2009).

Runs Test to find out Normality of Distribution: This test helps to find out the normality of distribution or otherwise with the help of which suitable statistical tools can be applied for further analysis.

 $H_o$ : Distribution for sample belonging to different management is random

 $H_A$ : Distribution for sample belonging to different management is not random

**Table-1: Descriptive Statistics** 

	N	Maan	Std. Deviation	Minimum	Marimum		Percentiles	
	IN Mes	Mean	Std. Deviation	Minimum	Maximum	25th	50th (Median)	75th
Management	300	1.86	.727	1	3	1.00	2.00	2.00

**Table 2: Runs Test** 

	Management
Test Value(a)	2
Cases < Test Value	103
Cases >= Test Value	197
Total Cases	300
Number of Runs	127
Z	-1.190
Asymp. Sig. (2-tailed)	.234

### a Median

The Runs test table displays the Test value, Cases less than Test value, cases greater than or equal to Test Value, total cases, number of runs, Z-statistic and associated Asymptotic significance. The Test Value was specified to be the median and therefore, the test value is 2. The Z-value of -1.190 with asymptotic significance of .234 (less than 0.05), means that the null hypothesis is not rejected. Therefore,

we can say that the number of cases belonging to different management is randomly selected. Hence, non-parametric tests will be applied, and hence, Kruskal Wallis Test has been applied for further analysis and interpretation.

# 1. Attributes Leading to High Morale in Different Organizations

Morale is actually a psychological term, which is achieving a considerable importance on the part of the management. Morale is a group phenomenon; it is an idea of the extent to which an individual perceives a probability of satisfying his own motives through cooperation of the group.

Ho: There is no difference in the attributes leading to high morale in different organizations

HA: There is significant difference in the attributes leading to high morale in different organizations.

Source: Primary probe

**Table-3: Attributes Leading to High Morale** 

Variables		Nature of Responses				
variables	S.A	A	UD	D	S.D	Total
Job satisfaction	133(44.3)	78(26.0)	78(26.0)	8(2.7)	8(2.7)	300(100)
More friends at work	158(52.7)	69(23.0)	23(7.7)	44(14.7)	6(2.0)	300(100)
Employees with well-matched skill	146(48.7)	68(22.7)	18(6.0)	63(21.0)	5(1.7)	300(100)
Open communication	117(39.0)	155(51.7)	17(5.7)	6(2.0)	5(1.7)	300(100)
Job security	138(46.0)	94(31.3)	43(14.3)	19(6.3)	6(2.0)	300(100)
Safe occupations	67(22.3)	196(65.3)	22(7.3)	8(2.7)	7(2.3)	300(100)
Better employer-employee relations	143(47.7)	117(39.0)	30(10.0)	5(1.7)	5(1.7)	300(100)
Recognition	166(55.3)	53(17.7)	56(18.7)	19(6.3)	6(2.0)	300(100)
Fringe benefits	140(46.7)	107(35.7)	26(8.7)	24(8.0)	3(1.0)	300(100)

Note: Figures in parentheses indicate the percentages on the row totals

The overall responses of the respondents are inclined more towards the upper side of the Likert scale. Thus, it can be inferred that respondents believe that the above mentioned variables lead to high morale, thereby positively affecting employees' performance.

Table-4: Ranks

Particulars	Management	N	Mean Rank
	Japanese	103	99.19
Morale influenced by job	American	136	182.74
satisfaction	Indian	61	165.26
	Total	300	
Morale influenced by more	Japanese	103	164.70
	American	136	130.35
friends at work	Indian	61	171.44
	Total	300	
M1-:	Japanese	103	165.56
Morale influenced by	American	136	127.82
employees with well matched skill	Indian	61	175.65
	Total	300	
Morale influenced by open	Japanese	103	127.17
Morate influenced by open	Japanese	103	12/.1/

communication	American	136	145.56
	Indian	61	200.90
	Total	300	
	Japanese	103	117.71
Morale influenced by job	American	136	167.70
security	Indian	61	167.52
	Total	300	
	Japanese	103	109.16
Morale influenced by safe	American	136	183.71
occupations	Indian	61	146.28
	Total	300	
	Japanese	103	115.23
Morale influenced by better	American	136	170.80
employer-employee rel.	Indian	61	164.79
	Total	300	
	Japanese	103	113.58
Morale influenced by	American	136	171.32
recognition	Indian	61	166.42
	Total	300	
Morale influenced by fringe	Japanese	103	102.66

benefits	American	136	176.49
	Indian	61	173.34
	Total	300	

The employees belonging to American management believe more that 'morale' is influenced by the variables 'job satisfaction', 'job security', 'safe occupations', better employer-employee relations', 'recognition' and 'fringe benefits'. The mean rank for these attributes, as such, is first for these variables. The respondents belonging to Indian management accorder more points to 'friends at work', 'employees with well matched skills', 'better and smooth flow of communication' and 'job security'. Japanese management did not get first rank for any of the above mentioned variables.

Table-5: Test Statistics (a,b)

Particulars	Chi- Square	df	Asymp. Sig.
Morale influenced by job satisfaction	64.229	2	.000
Morale influenced by more friends at work	16.293	2	.000
Morale influenced by employees with well-matched skill	20.298	2	.000
Morale influenced by open communication	35.490	2	.000
Morale influenced by job security	25.801	2	.000
Morale influenced by safe occupations	61.262	2	.000
Morale influenced by better employer- employee rel.	31.427	2	.000
Morale influenced by recognition	34.880	2	.000
Morale influenced by fringe benefits	56.078	2	.000

a Kruskal Wallis Test

b Grouping Variable: Management

The difference in mean rank of different managements is significant as is indicated by associated significance. The null hypothesis is thus rejected and it is inferred that the difference in opinion measuring variables boosting up morale of employees in different organizations is not by chance.

# 2. Attributes Leading to Increased Productivity in Different Organizations

Today's business is an endeavor to extract more with least efforts. The emphasis is on reducing labour cost and time. In an effort to cutting costs, downsizing has become inevitable, and for this purpose, increase in productivity has become an important tool today.

Ho: Variables leading to productivity do not vary significantly.

HA: Variables leading to productivity vary significantly.

Table-6: Variables Leading to Increased Productivity in Different Organizations

Attributes	Natı	Total		
Attributes	Yes	UD	No	Total
Adequate training and use of technology	133(44.3)	*	167(55.7)	300(100)
Less wastage	221(73.7)	72(24.0)	7(02.3)	300(100)
Safety measures and less Accidents	179(59.7)	115(38.3)	6(02.0)	300(100)
Improved QWL	163(54.3)	132(44.0)	5(01.7)	300(100)
Increase in units	213(71.0)	82(27.3)	5(01.7)	300(100)

manufactured

**Note:** Figures in parentheses indicate the percentages on the row totals

Source: Primary probe

Except for the attribute 'adequate training' and 'use of technology', responses for all other attributes are inclined more on the positive side of Likert scale. Thus, the respondents asserted that the above mentioned variables have resulted in increased productivity in their respective organizations, thereby, enhancing employees' performance.

Table 7: Ranks

Particulars	Management	N	Mean Rank
	Japanese	103	208.29
Adequate training and use of	American	136	84.95
technology	Indian	61	199.06
	Total	300	
	Japanese	103	157.17
Less wastage	American	136	166.51
Less wastage	Indian	61	103.54
	Total	300	
	Japanese	103	107.07
Safaty managers and loss agaidents	American	136	209.47
Safety measures and less accidents	Indian	61	92.35
	Total	300	
	Japanese	103	93.08
Improved QWL	American	136	217.41
Improved QWL	Indian	61	98.27
	Total	300	
	Japanese	103	122.99
Increase in units manufactured	American	136	192.60
increase in units manufactured	Indian	61	103.11
	Total	300	

The mean rank of American management is higher for the variables 'less wastage', 'safety measures and less accidents', 'improved QWL' and 'increase in units manufactured' leading to increase in productivity. Japanese management is far ahead in providing training and introducing new technology.

**Table-8: Test Statistics(a,b)** 

	Adequate training and use of technology	Less wastage	Safety measures and less accidents	Improved QWL	Increase in units manufactured
Chi- Square	184.473	39.421	158.749	196.382	97.474
df	2	2	2	2	2
Asymp. Sig.	.000	.000	.000	.000	.000

a Kruskal Wallis Test

b Grouping Variable: Management

The Chi-square is 184.473, 39.421, 158.749, 196.382, and 97.474 respectively and the associated significance is .000 for all the attributes (which is lower than 0.05). The difference in the opinion of respondents is significant and not by chance.

# 3. Variables Leading to Commitment of Employees in Different Organization

Early researchers of organizational commitment identified that commitment is primarily a function of individual behavior and willingness of individuals to give their energy to the organizations through actions and choices over time. An effort has been made here to find out the opinion of respondents for commitment.

Ho: Commitment of employees does not vary significantly in different organizations.

HA: Commitment of employees varies significantly in different organizations.

Table-9: Variables Leading to Commitment of Employees to Different Organization

Attributes		Total				
Attributes	S.A	A	UD	D	S.D.	Total
Length of service (Experience)	56(18.7)	100(33.3)	63(21.0)	74(24.7)	7(2.3)	300(100)
Type of control (more autonomy)	132(44.0)	63(21.0)	12(04.0)	74(24.7)	19(6.3)	300(100)
Nature of work (of one's interest)	173(57.7)	77(25.7)	7(02.3)	31(10.3)	12(4.0)	300(100)
Less better prospects in other orgs.	52(17.3)	116(38.7)	55(18.3)	71(23.7)	6(2.0)	300(100)
Flexible approach of Management	129(43.0)	127(42.3)	6(02.0)	32(10.7)	6(2.0)	300(100)
Less organizational conflict	52(17.3)	119(39.7)	85(28.3)	38(12.7)	6(2.0)	300(100)

Though quite mixed responses are sought for the variables leading to commitment of employees towards their respective organizations, yet table 9 makes it clear that responses have more inclination towards positive side of Likert scale.

Table-10: Ranks

Particulars	Management	N	Mean Rank
	Japanese	103	140.55
Commitment influenced by length of service	American	136	167.29
	Indian	61	129.85
	Total	300	
	Japanese	103	171.00
Commitment influenced by type	American	136	106.62
of control	Indian	61	213.72
	Total	300	
	Japanese	103	135.25
Commitment influenced by nature of work	American	136	134.79
	Indian	61	211.26
	Total	300	
	Japanese	103	145.09
Commitment influenced by less	American	136	152.42
better prospects in other orgs.	Indian	61	155.36
	Total	300	
	Japanese	103	154.67
Commitment influenced by	American	136	137.23
flexible approach of management.	Indian	61	173.05
	Total	300	
	Japanese	103	186.18
Commitment influenced by less	American	136	103.16
organizational conflict	Indian	61	195.79
	Total	300	

The mean rank of Indian management is higher for all the variables mentioned above. The responses of American management and Japanese management were mixed for the variables leading to commitment of employees towards organizations.

**Table-11: Test Statistics (a,b)** 

	Chi- Square	df	Asymp. Sig.
Commitment influenced by length of service	10.628	2	.005

Commitment influenced by type of control	81.950	2	.000
Commitment influenced by nature of work	47.547	2	.000
Commitment influenced by less better prospects in other orgs.	.717	2	.699
Commitment influenced by flexible approach of mgm.	8.941	2	.011
Commitment influenced by less organizational conflict	82.145	2	.000

a Kruskal Wallis Test

b Grouping Variable: Management

The opinion of respondents regarding various factors influencing Commitment is quite significant. The Chi square table makes it clear that the null hypothesis has to be rejected here. However, for the variables 'less better prospects in other organizations' and 'flexible approach' have the associated significance of more than 0.05, whereby we can infer that the difference in opinion of respondents for these variables is by chance.

### 4. Multiple Commitments of Respondents

Ho: Multiple commitments of respondents do not vary significantly in different organizations.

HA: Multiple commitments of respondents vary significantly in different organizations.

**Table-12: Multiple Commitments of Respondents** 

Attributes		Natur	e of Resp	onses		Total
Attributes	S.A	A	UD	D	SD	Total
Family	183	86	20	6	5	300
raility	(61.0)	(28.7)	(6.7)	(2.0)	(1.7)	(100)
Professional	71	155	41	26	7	300
organization	(23.7)	(51.7)	(13.7)	(8.7)	(2.3)	(100)
Social	73	200	11	10	6	300
organizations	(24.3)	(66.7)	(3.7)	(3.3)	(2.0)	(100)
Dolitical parties	24	77	7	119	73	300
Political parties	(8.0)	(25.7)	(2.3)	(39.7)	(24.3)	(100)
Religions	33	218	34	8	7	300
org/functions	(11.0)	(72.7)	(11.3)	(2.7)	(2.3)	(100)

**Note:** Figures in parentheses indicate the percentages on the row totals.

Source: Primary probe

Table 12 depicts the fact that respondents are less committed to political parties. On the whole, Indian employees have to face the

Table-13: Ranks

Particulars	Management	N	Mean Rank
	Japanese	103	109.08
Multiple Commitments- family	American	136	187.16
	Indian	61	138.71
	Total	300	
	Japanese	103	111.69
Multiple Commitments-	American	136	179.01
professional organization	Indian	61	152.47
	Total	300	
	Japanese	103	126.35
Multiple Commitments-social	American	136	177.32
organizations	Indian	61	131.48
	Total	300	
	Japanese	103	138.55
Multiple Commitments- political	American	136	158.44
parties	Indian	61	152.98
	Total	300	
	Japanese	103	128.97
Multiple Commitments-	American	136	155.84
Religions org/functions	Indian	61	174.96
	Total	300	

The mean rank of American management is higher for all the above mentioned variables except 'multiple commitments towards religions organizations'. The mean score of Indian management is second for all the above mentioned attributes.

Table-14: Test Statistics (a,b)

Particulars	Chi- Square	df	Asymp. Sig.
Multiple Commitments- family	65.271	2	.000
Multiple Commitments-professional organisation	41.781	2	.000
Multiple Commitments-social organisations	34.698	2	.000
Multiple Commitments- political parties	3.472	2	.000
Multiple Commitments- Religions org/functions	19.091	2	.000

a Kruskal Wallis Test

b Grouping Variable: Management

The  $\chi^2$  value has been found to be more than the table value in case of all the above mentioned attributes postulating the fact that the null hypothesis has to be rejected and the alternative hypothesis has to be accepted. Again, the difference in the opinion of respondents is significant and not by chance.

### 5. Factors Influencing Overall Performance

Ho: The influencing overall performance of employees does not vary significantly in different organizations.

problem of multiple commitments towards family, professional organizations, social duties and religious functions.

HA: The factors influencing overall performance of employees vary significantly in different organizations.

**Table-15: Factors Influencing Overall Performance** 

Variables			Total			
variables	S.A	A	UD	D	S.D.	Total
Tii	193	53	39	7	8	300
Training	(64.3)	(17.7)	(13.0)	(2.3)	(2.7)	(100)
Biological	104	131	48	9	8	300
differences	(34.7)	(43.7)	(16.0)	(3.0)	(2.7)	(100)
Habits	128	117	20	9	26	300
павия	(42.7)	(39.0)	(6.7)	(3.0)	(8.7)	(100)
Attitudo	224	44	14	10	8	300
Attitude	(74.7)	(14.7)	(4.7)	(3.3)	(2.7)	(100)
Knowledge	159	85	39	7	10	300
Knowledge	(53.0)	(28.3)	(13.0)	(2.3)	(3.3)	(100)
Skills	218	31	36	8	7	300
SKIIIS	(72.7)	(10.3)	(12.0)	(2.7)	(2.3)	(100)
Incentives	60	60	67	9	7	300
incentives	(20.0)	(20.0)	(22.3)	(3.0)	(2.3)	(100)
Monetary&	160	54	69	9	8	300
nonmonetary	(53.3)	(18.0)	(23.0)	(3.0)	(2.7)	(100)
rewards	(33.3)	(10.0)	(23.0)	(3.0)	(2.7)	(100)
Opportunity for	172	17	41	63	7	300
advancement	(57.3)	(5.7)	(13.7)	(21.0)	(2.3)	(100)
Recognition	173	27	44	50	6	300
Recognition	(57.7)	(9.0)	(14.7)	(16.7)	(2.0)	(100)
Competition	103	68	5	57	67	300
Compention	(34.3)	(22.7)	(1.7)	(19.0)	(22.3)	(100)

**Note:** Figures in parentheses indicate the percentages on the row totals.

Source: Primary probe

The above mentioned variables do have influence on the overall performance of employees. All the variables mentioned in table15 have more inclination towards the upper side of the Likert scale.

Table-16: Ranks

Particulars	Management	N	Mean Rank
	Japanese	103	138.05
Performance influenced by Training	American	136	195.36
	Indian	61	71.49
	Total	300	
	Japanese	103	165.67
Performance influenced by biological differences	American	136	162.24
	Indian	61	98.72
	Total	300	
	Japanese	103	141.24
Danfarmanaa inflyanaad by Habita	American	136	160.51
Performance influenced by Habits	Indian	61	143.82
	Total	300	
Dorforman as inflyenced by	Japanese	103	163.35
Performance influenced by Attitude	American	136	150.90
Attitude	Indian	61	127.89

	Total	300	
	Japanese	103	126.24
Performance influenced by	American	136	173.38
knowledge	Indian	61	140.44
· ·	Total	300	
	Japanese	103	135.41
Derformance influenced by skills	American	136	178.00
Performance influenced by skills	Indian	61	114.67
	Total	300	
	Japanese	103	109.78
Performance influenced by	American	136	198.32
Incentives	Indian	61	112.63
	Total	300	
D.C	Japanese	103	92.04
Performance influenced by monetary and nonmonetary rewards	American	136	195.52
	Indian	61	148.84
lewards	Total	300	
Performance influenced by	Japanese	103	111.51
	American	136	177.39
opportunity for advancement	Indian	61	156.39
	Total	300	
	Japanese	103	107.74
Performance influenced by	American	136	179.90
Recognition	Indian	61	157.16
	Total	300	
	Japanese	103	160.27
Performance influenced by	American	136	141.89
Competition	Indian	61	153.20
	Total	300	
	Japanese	103	115.80
Performance influenced by	American	136	187.08
sufficient resources	Indian	61	127.53
	Total	300	
	Japanese	103	127.90
Performance influenced by	American	136	178.66
suitable methods	Indian	61	125.87
	Total	300	

The mean rank of American management is more than the other managements for majority of the variables, measuring performance being influenced by training, habits, knowledge skills, incentives, monetary and non monetary rewards, opportunity for advancement, recognition, sufficient resources and suitable methods. Japanese management stands first on the score of mean rank for the variables measuring performance being influenced by biological differences, attitudes and competitions. Of course, the mean rank of Indian management is third for all the above mentioned variables.

Table-17: Test Statistics (a, b)

Particulars	Chi- Square	df	Asymp. Sig.
Performance influenced by Training	122.726	2	.000
Performance influenced by biological differences	31.428	2	.000
Performance influenced by Habits	3.883	2	.143
Performance influenced by Attitude	11.039	2	.004
Performance influenced by knowledge	22.196	2	.000
Performance influenced by skills	44.326	2	.000
Performance influenced by Incentives	90.333	2	.000
Performance influenced by monetary & non-monetary rewards	100.478	2	.000

Performance influenced by opportunity for advancement	42.710	2	.000
Performance influenced by Recognition	51.282	2	.000
Performance influenced by Competition	2.907	2	.234
Performance influenced by sufficient resources	57.440	2	.000
Performance influenced by suitable methods	31.461	2	.000

### a Kruskal Wallis Test

### b Grouping Variable: Management

The Chi-square which is lower than 0.05 in case of most of the above mentioned variables lead us to conclusion that null hypothesis is rejected, and, we conclude that the difference in the opinion of respondents is not by chance, but is quite significant, thus leading to rejection of null hypothesis. The difference, however, is by chance for the variables 'performance is influenced by habits and competition'. The null hypothesis for these variables is thus not rejected.

### **Major Findings**

The above statistical analyses lead us to following conclusions:

- Persistent efforts on the part of management boost up morale and motivation of employees, thus leading to improved performance.
- 2. So far as morale of employees is concerned, Indian management gives more consideration to satisfy social and emotional needs of their employees. American management stands at the better position for majority of the variables included in the present study to measure morale of employees. Japanese management needs to take corrective actions in this direction.
- 3. Japanese management is far ahead of American management and Indian management in providing 'training to employees' and 'adopting technology'. American management stands ahead of Japanese management and Indian management in providing adequate safety measures at workplaces and providing better Quality of work-life to employees.
- Employees belonging to Indian management are more committed to their organizations as compared to the employees belonging to American and Japanese management.
- Employees in all organizations have been found to have multiple commitments towards different groups, though the difference in responses varies significantly.
- 6. Morale is both, the cause as well as effect of attributes such as job satisfaction, better employer-employee relations, and fulfillment of physical and emotional needs, career growth and congenial organizational climate.
- Likewise, commitment is also both, the cause and effect of attributes such as absenteeism, less turnover and sense of belongingness.

### **Suggestions:**

The suggestions range from individually focused actions to broad based organizational policy changes. These include the following.

- India is a country with intense social bonding. Employees
  are too sensitive to their social and emotional needs. Hence,
  apart from adopting professional approach to boost up
  morale, these needs require due consideration in Indian set
  up.
- As India is a country with strong social bonding, multiple commitments of employees towards different groups are sure to creep up. Foreign management need to understand the cultural set up of the host country, and help their members to fulfill their social and cultural obligations.
- 3. To compete at the global fronts, organizations need to trace human resource with multiple skills. The policy of multiskilling and capacity building should be adopted on urgent basis. Exhaustive training and use of latest technology is the urgent need of the hour.
- 4. The magnitude of baby boomers (i.e. employees leaving the organizations very frequently) has intensified in the contemporary times. Efforts should be made on the part of management to provide more autonomy to employees; to provide them jobs of their choice and liking; and to provide them with better career advancement opportunities through their adequate recognition; by adopting flexible approach towards them and by making efforts to reduce organizational conflicts.
- Isolating and focusing on a single factor or variable to enhance employees' performance is not going to serve the purpose of organizations. Rather, a cluster of variables have to be corrected simultaneously.
- 6. If possible make printed copies of companies' policies-and-procedures manual easily accessible to all members of the staff. If written manual cannot be made available, create one, soliciting staff input along the way. Regular updation of manual is equally essential. It is advisable to compare companies' policies to those of similar practices in other companies and make changes wherever necessary.
- 7. Ensure that workers' motives and values are appropriate for the jobs on which they are placed; make jobs attractive to and consistent with workers' motives and values; define work goals that are clear, challenging, attractive, and attainable; provide workers with the personal and material resources that facilitate their effectiveness; create supportive social environments; reinforce performance; and harmonize all of these elements into a consistent socio-technical system.
- 8. Time management is an important aspect which cannot be discarded. Managing several tasks simultaneously as per predefined schedules without getting stressed or tensed is the need of present times. This needs to be inculcated in the Indian culture and in Indian practices.
- 9. One more thing that has to be kept in mind is training in effective communication rather than the style of communication while communicating. While considering communication aspects in cross-cultural training, it is essential for professionals to gain training in "intercultural communication" and not purely on English communication.
- 10. Efforts should be made to imbibe unity in diversity. Attitude and perception of people needs to be widened so that they accept cultural differences as a new opportunity to widen their horizon instead of increasing gaps and disparities.

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### Impact of Work and Interactive Adjustment on Expatriate Job Performance

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#### ABSTRACT

Business modernization initiated by the encroachment in technology and transportation has facilitated an enabling environment for the expansion of organization beyond national boundaries, which has led to intensification in business partnership and multinational operations through international subsidiaries. The most common challenges encountered by expatriates are work and Interactive adjustment during international assignment. There are two main prime challenges encountered by expatriates, which are work adjustment consisting of the expatriate openness to adapt in a different work environment and secondly interactive adjustment which mainly involves communication and native language of host country. Past studies have examined the effects of the big five and individual factors on expatriate performance, but they have ignored the role of expatriate adjustment in terms of work, general, and interaction adjustment. Though expatriate adjustment and job performance are linked to each other logically, it still lacks empirical evidence. This paper aims to cover this gap. Data were gathered through questionnaires. The questionnaire has six sections for each of the construct. The respondents exclusively included the expatriates from the education industry. The findings proved that work and interactive adjustment are essential and equally important as sociability and openness (acceptance) to increase job performance.

### Introduction

Business modernization initiated by the encroachment in technology and transportation has facilitated an enabling environment for the expansion of organization beyond national boundaries, which has lead to intensification in business partnership and multinational operations through international subsidiaries. Before business had been greatly affected by technology as compared to the present days, researchers have pointed out that the development in the business environment have resulted in the increase of opportunities for employees to be more exposed to overseas work experience through the process of expatriation. Dowling (2008) stated that expatriation is a long process which involves a lot of investment especially long term cross cultural assignments. An expatriate according to Cohen (1977) is a provisional migrant with an assignment in a foreign

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nation, for a stipulated time, with the essential objective of reverting back to his or her home country at the end of the assignment. Dowling, Festing and Engle (2008) asserted that an expatriate is an employee who is working and provisionally inhabiting in a foreign country.

In spite of the fact that research indicates that cross culture progressively leads to the transfer of technology, information and cultural norms which creates foreign markets and diversified strategies, Pires (2006) argued that cross cultural exchange bears its challenges which in some casualties hamper the objectives of the organization. Findings have shown that the most common challenges encountered by expatriates are work and Interactive adjustment during international assignment. According to Kim and Slocum (2008) expatriate's success or failure is determined by the following factors and personality traits, some good examples are openness and sociability. Selmer (2006) highlighted that, there are two main prime challenges encountered by expatriates, which are work adjustment consisting of the expatriate openness to adapt in a different work environment and secondly interactive adjustment which mainly involves communication and native language of host country. The failure of international assignment may cause a lot of result for instances an unpleasant business relationship between parent country and the host nation and also slows the productivity of the organization. Another point worth mentioning derived from Dickmann, Sparrow and Brewster (2008) is the expatriate, who may experience a decline in job satisfaction, lack of self-confidence, reduced performance on the job, and possibly withdraw from the assignment.

Dowling, Festing and Engle (2008) stated that expatriate failure is mainly caused by the ignorance of the appropriate selection process which makes it difficult for expatriates to achieve a dependable level of work and interactive adjustment. Although it will be a misrepresentation of expatriation failure study just to advocate that the selection process is the only cause of expatriate failure since immediate factors like work and interactive adjustment are the actual challenges which lead to expatriate failure.

Claus et al., (2011) claimed that past research focused on job performance in expatriate contexts, but most researchers ignored expatriate adjustment in their studies (Tucker et al., 2004; Liu & Schaffer, 2005; Shay & Baack, 2006; Osman-gani & Rockstuhl, 2008). Hence this paper aims to cover this gap by focussing on how work adjustment and interactive adjustment influence the expatriate job performance. Claus et al, (2011) argued that even though expatriate adjustment and job performance are linked to each other logically, research still lacks empirical evidence. A few past studies have examined the effects of the big five and individual factors on expatriate performance, but they have ignored the role of expatriate adjustment in terms of work, general, and interaction adjustment (Shaffer et al., 2006, Bhatti et al., 2012).

The objectives of this paper are:

- To determine the relationship between work adjustment and expatriate job performance
- To assess the role of interactive adjustment on expatriate job performance
- To estimate the influence of personality trait; openness and sociability on expatriate job performance

### **Review of Literature**

### **Expatriate Adjustment**

Hofstede (1984) the main contributor on the topic of cross cultural has stressed that when individuals are exposed to foreign environment, they suffer from colossal stress which is common in most cases that an expatriate at some point will experience this sort of situation. Thus expatriates on cross cultural assignment must learn to adjust well, by dealing with challenges concomitant with living and working in a different societal and cultural environment. However Downess, Varner and Musinski (2007) argued that dealing with adjustment challenges for expatriates does not only require the ability to adapt well in a foreign nation but also a personality trait that is open to exposure. In some situations, the altered culture that the expatriate may be exposed to might be entirely dissimilar from his or her own culture. In support of this reason, McGinley (2008) highlighted that to attain success and perform efficiently in cross cultural assignment, the expatriate needs to accomplish a dependable level of association to his or her new socio-cultural environment. In this case the expatriate has to reach a dependable level of work and interactive adjustment to perform effectively. Although Rich, Lepine and Crawford (2010) argues that, expatriates effectiveness on job performance is initiated by a series of methods which are, effective recruitment, selection and training processes which must be implemented by the MNCs. Though it must not be ruled out that

expatriate cross cultural adjustment requires a process of studying and acquiring the cultural knowledge of the host nation as well as tolerating the difference in culture and accepting to live and work with the change of environment.

### Work Adjustment

Work adjustment refers to expatriate comfort with the job. General adjustment means expatriate comfort with non-work factors like food, language, transportation, entertainment etc; and interaction adjustment refers to comfort associated with interaction of expatriates with host country nationals inside and outside the workplace (Black, 1988). Black and Stephens (1989) have operationalized the three dimensions of adjustment and Shaffer et al, (1999) validated these three dimensions. Work adjustment is usually related to work, whereas interaction adjustment is related to both work and non-work environments (Shaffer et al., 1999). Kraimer et al, (2003) found that expatriate adjustment is positively related to job performance and when expatriates properly adjust to the host country general environment, their job performance will be similar to such performance in the home country (Lee and Sukoco; 2010). In addition, if expatriates develop better relationships with local employees, this will be helpful for expatriates to meet the performance expectations of the company ((Lee and Sukoco, 2010). In a study conducted by Templer et al., (2006) it was asserted that expatriate adjustment is a key indicator for expatriate success in their international assignment.

Takeuchi (2010) defined work adjustment as the psychological comfort an expatriate experiencing a new work environment, with new different work values, expectations, and new work practices. Findings have shown that the most essential factor in expatriate change of environment is work adjustment. Researchers have argued that the main objective of both the MNCs and the expatriate is success at the end of the assignment, an idea derived from Wang and Takeuchi (2007). Although new findings indicate that it might not be the case that which factor of expatriate adjustment is essential than the other since the main two factors provided by Selmer (2006) complement each other and determine the outcome of the assignment.

Andreason (2008) argued that it can be the case that an expatriate might adjust well on work but if the interactive adjustment is not at a level of reliability, the job performance of the expatriate will be negatively affected. Research suggest that in terms of work adjustment Malaysia culture is quiet intolerant to expatriate who are expected to do it the Malaysian way even if the expatriate is from a different culture as compared to Singapore with a rather tolerant work environment. Kittler, Rygl, Mackinnon and Wiedeman (2011) argued that expatriates performance depend on their work and interactive environment which covers the two factors of adjustment. Also Takeuchi (2010) discovered that the personality trait has a positive impact on work adjustment.

### Hypothesis 1

There is a positive relationship between work adjustment and expatriate job performance.

### Interactive adjustment

Interactive adjustment is mental comfort an expatriate experience in a different communication style in the host culture, and the social communication with the host nationals, this is Andreason (2008) point of view. Livermore (2010) argued that concerning the two factors of adjustment, the most challenging to achieve is interactive adjustment since it is at the point of interacting with the natives

which an individual starts to witness the difference in culture. According to the 2012 literacy survey, Malaysia literacy is 88.7% which suggest that majority of the nation can either communicate by writing or talking, however collective observation state that Malaysia literacy rate might be high but the percentage of natives who can communicate in fluent English is very low which makes it hard for expatriates interact with locates and this makes the interactive adjustment an extensive task.

Livermore (2010) highlighted that interactive adjustment is the fundamental of the work adjustment because it enables the expatriates to effectively communicate either with internal colleagues or external influence for example government officials or clients even new social groups. Using simple extrapolation the significance of interactive adjustment cannot be questioned since it is without any doubt essential for a progressive job performance results. Another point worth mentioning is that, researchers have witnessed that some cultures are more challenging to adjust as compared to others for instance other parts of Malaysia where it is culturally unsociable.

### Hypothesis 2

There is a significant relationship between interactive adjustment and job performance.

### Personality traits

According to Uli and Kumar, (2010) personality has been extensively examined in literature as one of the major factors influencing expatriates adjustment and job performance during their stay in the host nation. Researchers like Shaffer, Harrison, Gregersen, Black and Ferzandi, (2006) categorized personality traits into five aspects, known as the big five factors which includes Conscientious, extroversion, emotional stability, Agreeableness and Openness. Downess, Varner, and Musinski (2007) have suggested that the big five personality trait factors have great degrees of influence on expatriates adjustment and job performance. Although there might be five aspect of personality trait which influences adjustment and job performance, but openness and sociability is the main concern for this research.

### **Openness**

Openness or acceptance to new experience is linked with relationship to expatriate adjustment and job performance. Mendenhall and Oddou (1985) argue that openness is an essential aspect necessary for cross-cultural adjustment and relationship building. Likewise, Downess, Varner, and Musinski (2007) highlighted that, expatriates with the abilities of openness as a personality traits adjust better during international assignment, since they are prepared to detect and react to understated cultural dissimilarities in their new environment. Research has indicated that expatriates with a higher level of openness have a positive attitude towards change which will enable them to adjust well and effectively in foreign countries this is Yamazaki and Kayes (2007) point of view. According to Avril and Magnini (2007) who claimed that people with the ability of openness have an open mind for everything and change is not a challenge for them as compared to reserved people. Using simple extrapolation openness to change has a positive impact to job performance although it's not always the case since other researchers the likes of Maurer and Li (2006) have highlighted that there are other aspects which influence increased job performance for example a dependable level of work adjustment and also interactive adjustment (sociability).

#### Hypothesis 3

There is a positive relationship between work adjustment and openness.

### **Sociability**

According to Cook, F and Oliver, C (2011) sociability refers to the numerous facets of social interaction. Sociability is a key factor for increased job performance. Sociability enables expatriates to interact with host nationals, which will increase their confidence at work and also their general interaction, idea derived from Borghans, terWeel and Weinberg (2006). According to Borghans, terWeel and Weinberg (2008) who stated that work in general requires people to socialize for relationship building and also access to other factors which enables the operation of the business. Extrapolating from Borghans, terWeel, and Weinberg (2008) claim, sociability enables the smooth communication (interaction) of the organization external forces which enables their success. For example expatriates with good sociability skills can successfully interact with clients or even with government officials which has a great positive impact on their job performance.

Although researchers like Takeuchi (2010) and Bacolod and Blum, (2010) acknowledges the power of the combined factors to have a greater positive impact on job performance. They believe persons with more than one of the ability either openness or sociability can perform better than those who possess only one of the above. These factors are more effective on job performance if there are a combination rather than individuals, for example an expatriate who has greatly achieved a dependable level of work adjustment and also possess sociability skills or even acceptance to change has more increased job performance compared to an expatriate who only has achieved or possess one of the above aspects.

### Hypothesis 4

There is a positive relationship between interactive adjustment and sociability.

### **Expatriate Job Performance**

Harrison and Shaffer (2005) argued that job performance is a function of the amount of time and energy (effort) that an expatriate devotes to his/her job. Researchers have highlighted many factors that influence expatriate job performance such as goal orientation, self-efficacy, self-monitoring, task, and people orientation, relationship ability, and international experience (Shaffer et al., 2006; Wang & Takeuchi, 2007). Caligiuri (1997) argued that early return of expatriates influences their job performance. This study will only focus on personality traits (openness and sociability) and investigate the influence of personality traits on expatriate adjustment and job performance. In order to measure expatriate job performance, researchers have used different sources like peers, supervisors, subordinates etc., which can be host country nationals or the third country nationals. Paik et al, (2007) argued that performance of expatriates heavily depends on the host country workforce, and researchers have neglected this area.

Lepine and Craford, (2010) defined job performance as the collective value to a corporation of the set of conducts that employee adds either directly or indirectly to the organizational objective (goal). However, it should be noted that this definition has been implemented for this study since it suits the researcher's intention but it is essential to highlight that researchers have not been consistent on the definition of expatriate job performance. This is Rich, Lepine and Crawford (2010) point of view. Although Wood (2010) argued that

expatriate job performance is multidimensional and its definition should be stated in terms of expatriate job performance, cross cultural adaptation, expatriate intent to complete assignment and also the commitment of the expatriate to the organization goals. Research suggests that work adjustment indicated a significant, positive, relationship with job performance. Adding value to the association of expatriates performance and the challenges they encounter, findings suggest a significant, positive, relationship between contextual performance and interactive adjustment.

#### Hypothesis 5

There is a positive relationship between openness and Job performance.

### Hypothesis 6

There is a positive relationship between sociability and Job performance.

### Methodology

Data were gathered through questionnaires. The questionnaire has six sections for each of the construct: Work adjustment, interactive adjustment, openness, sociability and job performance. Work adjustment and interactive adjustment was measured on the 14 item scale developed by Black (1988) and recorded a reliability of 0.77. Personality trait was measured using the multicultural personality questionnaire (MPQ) (2000) and the reliability score was 0.71and job performance was measured based on the instrument developed using five items from Black and Porter (1991) and 12 items from Caligiuri (1997). The reliability score obtained was 0.85. Out of the 300 questionnaires sent, 150 completely filled in questionnaires were received (response rate: 50%). The respondents exclusively included the expats from the education industry.

### **Data Analysis**

The data were analysed using SPSS. It was used for generating the descriptive statistics and bivariate statistics using Pearson correlation. They were generated to understand the existing inter relationship between different constructs. A linear regression was performed to determine the relationship between the predictor and criterion variables.

### **Results and Discussion**

### **Demographic Analysis**

64% of the expats were male and 36% were female. The results obtained were in line with the findings of Selmer (2007) that expatriation is greatly involved with males compared to females. 73% of the expats were below 40 years of age and 27% were in their early 50s. All the expats who participated in the survey were Third Country Nationals (TCN).

### **Descriptive Statistics**

The table below shows the mean and standard deviation of the constructs of the study. These data provide an overview of how the respondents have answered the questions.

Table-1: Mean and Standard Deviation of the Constructs

S.No.	Construct	Mean	Standard Deviation
1	Work Adjustment	3.7394	0.2478
2	Interactive Adjustment	4.0257	0.3421
3	Openness	4.1458	0.2687
4	Sociability	3.8936	0.3167
5	Job Performance	3.5677	0.4003

These values indicate that the expatriates agree with the factors that are influencing job performance. The personality trait (openness) has recorded the highest mean followed by interactive adjustment. It further indicates that their adjustment level is high and it is complimented by their personality trait too. These would work hand in hand to boost their job performance. Since Malaysia is a multicultural country and it has diverse workforce, an expat would find it easy to accommodate himself in this culturally diverse environment.

### **Bivariate Statistics**

The data were normally distributed and hence Pearson's correlation was used to test the hypothesis. There was a significant relationship between work adjustment and job performance (r= 0.68, p- value= 0.005). This means an upsurge in work adjustment will have an equal effect on job performance. This result is similar to the results obtained by Kittler, Rygl, Mackinnon and Wiedeman (2011) that a well work adjusted expatriate has an increased job performance. Selmer (2006) pointed out that the adjustment factors work effectively together than individually.

The inter relationship between interactive adjustment and job performance was statistically significant (r= 0.73, p-value=0.034). There existed a significant relationship between openness and job performance (r=0.584, p=0.000). Takeuchi (2010) confirmed that there exist positive relationships among these variables. The findings show that there is positive significant relationship between openness and job performance. Strong and significant relationship existed between sociability and job performance (r=0.70, p=0.005). Kraimer et al, (2003) found that expatriate adjustment is positively related to job performance and when expatriates properly adjust to the host country general environment, their job performance will be similar to such performance in the home country (Lee and Sukoco; 2010). All the variables were significantly related (p<0.05 and p<0.01) and the strength of relationship varied between moderate (r=0.584) and high (r=0.734). Interactive adjustment (r=0.734) and sociability (r=0.7) were strongly influencing job performance than adjustment(r=0.680) and openness (0.584).

**Table-1: Results of the Hypotheses Testing** 

Table-1. Results of the Hypotheses Testing							
	Particulars	Work adjustment		openness	Sociability	Job performance	
XX71-	Pearson Correlation	1	.294**	.070**	.280**	.680**	
Work	Sig. (2-tailed)		.003	.000	.005	.005	
Adjustment	N	150	150	150	150	150	
T	Pearson Correlation	.294**	1	.271**	.584**	.734*	
Interactive	Sig. (2-tailed)	.003		.006	.000	.034	
adjustment	N	150	150	150	150	150	
	Pearson Correlation	.070**	.271**	1	.034	.584**	
openness	Sig. (2-tailed)	.000	.006		.735	.000	
	N	150	150	150	150	150	
	Pearson Correlation	.280**	.584**	.034	1	$0.70^{**}$	
Sociability	Sig. (2-tailed)	.005	.000	.735		0.005	
	N	150	150	150	150	150	
Ioh	Pearson Correlation	.680**	.734*	.584**	$0.70^{**}$	1	
Job performance	Sig. (2-tailed)		0.034	0.000	0.005		
	N	150	150	150	150	150	

### Regression

'Multiple linear regression' was performed to determine the relationship between predictor and criterion variables. The table below indicates that all the independent variables significantly influenced the expatriate job performance. Ramalu, Wei, and Rose (2011) asserted that organizations receive multiple advantages while having a diverse workforce and expatriates. A survey conducted by (Windham International, 1999) on human resource managers and international relocation experts reported that organizations continue to rely on expatriates and 41 per cent of corporate revenues come from outside the home country. Beechler and Woodward (2009) argued that organizations need expatriate employees in order to internationalize markets and competition.

Table-2: Results of the Linear Regression

S.No.	Factor	Regression value	P value	Hypothesis (Reject/Accept)
1	Work	0.254	0.002	Accept
	adjustment			
	(WA)			
2	Interactive	0.261	0.000	Accept
	adjustment (IA)			
3	Openness (O)	0.247	0.005	Accept
4	Sociability (S)	0.232	0.005	Accept

Job Performance= 0.254(WA) + 0.261 (IA) + 0.247 (O) + 0.232 (S)

Interactive and work adjustments predict job performance and are being mediated by personality traits.

### Conclusion

Global business expansion has increased the demand for employees for international assignment. Organizations receive multiple advantages while having a diverse workforce and expatriates. A survey conducted by (Windham International, 1999) on human resource managers and international relocation experts reported that organizations continue to rely on expatriates and 41 present of corporate revenues come from outside the home country. Organizations need expatriate employees in order to internationalize markets and competition. Therefore, developing economies adopt international strategies for a global expansion and recruit more expatriates for successful and smooth process of global expansion. This study attempts to provide empirical evidence for the influence of adjustment factors on expatriate job performance. The paper has highlighted that work and interactive adjustment are essential and equally important as sociability and openness (acceptance) to increase job performance. Further research can be carried out to explore how cross cultural adjustment and organisational support impact job performance of expatriates.

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# Organizational Empowerment Practices, Psychological Empowerment and Work Outcomes among Male and Female Front-Line Service Employees in Five-Star Turkish Hotels - Signs of Progress

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Organizational Empowerment Practices Psychological Empowerment Work Outcomes Work Experience Front-line Service Workers ABSTRACT

It has been reported that women working in the hospitality and tourism sector face more challenges in their work and careers than men because of their gender. This research investigated potential gender differences in perceptions of organizational empowerment practices, feelings of psychological empowerment, important work outcomes and self-reported assessments of service quality among front line service workers in five star hotels in Turkey. Data were collected from 266 front-line service workers (166 men and 100 women), a 66 percent response rate, from six hotels using anonymously completed questionnaires. Respondents were typically relatively young, had short job and hotel tenures, and held non-management jobs. All measures had been used and validated previously by other researchers. The data showed that women and men generally reported similar levels of empowerment, indicated similar levels on work outcomes, as well on perceptions of service quality provided. We interpret the absence of significant gender differences as signs of progress.

### Introduction

This study examines work experiences and work outcomes among samples of men and women front-line service workers in the hospitality and tourism sector in Turkey. It is commonly found that female workers experience more challenges in their workplaces than their male colleagues do. Considering Turkey specifically, research findings (Aycan, 2004; Aycan & Eskin, 2005; Ufuk & Ozgen, 2001; Koyuncu, Burke & Fiksenbaum, 2006; Burke, Koyuncu & Fiksenbaum

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2008; Ozbilgin & Woodward, 2004; Woodward & Ozbilgin, 1999) as well as general reviews on the status of women in Turkey (Kabasakal, Aycan, Karakas & Maden, 2011; Kabasakal, Aycan & Karakas, 2004) have suggested this to be the case.

Kabasakal and her colleagues (2011, 2004) reported slow progress in women's participation in the Turkish workforce and slow advancement into managerial and professional roles. Although an increasing number of women now enter universities in Turkey, they still concentrate in study areas that are typically feminine instead of entering business management, the science and technological fields. Although government legislation supporting equality exists, it seems not to be actively monitored and supported (Kabasakal, Aycan, Karakas & Maden, 2011). Women have fared better in the field of education however. Private sector organizations in Turkey rarely make efforts to support the selection, development and advancement of qualified women (Kabasakal, Aycan, Karakas & Maden, Maden, 2011). The United Nations Development Programme (2008) compared the status of women in thirteen

countries and found that Turkey ranked last in the presence of women in management, as union officials, and as legislators.

This low ranking of women reflects the importance of family and women's responsibility for family and home functioning (Aycan 2004; Aycan & Eskin, 2005), negative views held my men in Turkey about women's entrance into the workforce and into management roles (Burke & Koyuncu, 2012), and the increasing importance of Islamic values. But there are signs of progress as more women enter the workforce with the hopes for gender equality (Ozbilgin, Syed & Derili, 2011).

### The Hospitality and Tourism Sector in Turkey

The tourism and hospitality sector is a major and growing contributor to the Turkish economy (Duman & Tosun, 2010; Gokovali, 2011). Turkey ranks in the top ten countries in the world in both numbers of tourists and tourism revenues. As a consequence there is a shortage of skilled, motivated and committed workers in this sector (Aktas, Aksu, Ehtiyar & Cengiz, 2001; Brotherton, Woolfenden & Himmetoglu, 1994). This industry also faces some unique challenges including long work hours, low pay, low job satisfaction, few sources of work motivation, autocratic supervision, and poor employment and working conditions (Kusluvan, Kusluvan, Ilhan & Buyruk, 2011).

Luksin (1999) identified six major issues in research on hotel general managers with women hotel managers being one. There are relatively few women in general manager positions despite an increasing number of women in college and university hospitality programs; those that reach these positions receive less pay (Iverson, 200; Jordan 1997; Ng & Pine, 2003; Skalpe, 2006; Zhong & Crouch, 2007). Vertical and horizontal sex segregation exists in the hospitality and tourism sector; tor managers are men; mangers of more feminine-oriented departments (housekeeping, front desk, personnel) are women. (Garavan, O'Brien & O'Hanlon, 2006; Woods & Viehland, 2000).

Several barriers to women's career advancement have been reported (Brownell, 1993). These include gender discrimination, lack of role models, few mentoring opportunities, exclusion from informal "old boy" networks, sexual harassment, lower pay than male colleagues, and the need to work long hours.

### **Service Quality**

Service quality is an important contributor to success of organizations in the hospitality and tourism sector. Leadership, for example, has been shown to be associated with service quality and other important work outcomes in this sector (Connell, 2001; Tracey & Hinkin, 1994; Koyuncu, Burke, Astakhova, Eren & Cetin, 2014).

Ironically, front-line service workers are touted as an important element in high quality service in the hospitality and tourism sector. Employees have frequent contact with guests. Service quality is essentially an interpersonal transaction between front-line service workers and guests. Many of the important skills, knowledge, abilities, attitudes and behaviors of front-line employees are shaped by the human resource management policies and practices of their workplaces and the actions of one's supervisors

### Organizational and Psychological Empowerment and Work Outcomes

This study examined the relationship between organizational empowerment, feelings of psychological empowerment by front-tine service workers, and important work outcomes. Empowering employees has been proposed to be an important element in achieving a skilled, motivated and productive workforce (Katzenbach, 2000; Seibert, Silver & Randolph, 2004; Sisodia, Wolfe & Sheth, 2007; Sirota, Mischkind & Meltzer, 2005). Previous research has documented the link between feelings of personal empowerment and important work outcomes (Kanter, 1989; Bowen & Lawler, 1992; Mullins, 2006; Dewettnick & Van Ameijd, 2011; Kazlauskaite, Buciuniene & Turauskas, 2012). In addition, efforts have been made to increase empowerment of employees in the hospitality and tourism sector (Cacioppe, 1998; Klidas, 2001; Hechanova, Alampay & Franco, 2006; Lashley, 1996; Nichols, 1995).

Spreitzer (1997) distinguishes two types of empowerment, relational and psychological. Relational empowerment is embedded in the organization and refers to processes through which higher levels in an organization share power with lover levels (a macro level). Psychological empowerment refers to an individual's perceptions of their empowerment (a micro level). Macro-level factors influence employee's perceptions of their empowerment.

Mathews, Diaz and Cole (2003) made a significant contribution here by developing and validating a measure of organizational empowerment. Their measure had three dimensions: involving employees in policy making on organizational goals encouraging employees to suggest changes, and supporting innovative ideas and behaviors; offering employees control of workplace decisions; and providing employees with information on company goals and objectives, reward possibilities, and clients and customers. Mathews and his colleagues found that respondents reporting higher levels of organizational empowerment also indicated higher levels of psychological empowerment.

### **Psychological Empowerment**

Thomas and Velthouse (1990) defined psychological empowerment as heightened intrinsic task motivation reflected in four cognitions related to an employee's relationship to his or her work role: meaning, competence, self-determination, and impact. Spreitzer (1996, 1995) developed and validated a measure of these four cognitions. Psychological empowerment depicts an active orientation to one's work in which employees believe they can create their own work roles and work environment. Spreitzer believes that psychological empowerment increases workplace effectiveness and innovation. In addition, she suggested that both personal characteristics (e.g., self-esteem, locus of control) and organizational characteristics (e.g., availability of information of organizational mission and performance, the presence of rewards) increased one's sense of psychological empowerment.

We might expect women to be disadvantaged here. Some have shown that micro-level antecedents of empowerment reflected in leadership behaviors, and cultural values present in the hospitality and tourism sector, disadvantages women. For example Hechanova, Alampay and Franco (2006) compared self-reported levels of empowerment among female and male front-line service workers in

the Phillipines, noting that men reported greater empowerment than women even when j0b level and job performance was controlled.

The general hypothesis underlying this study follows from concerns about women's work and career experiences in the hospitality and tourism sector that women would experience fewer organizational empowerment practices, feel less personal empowerment, and this would be reflected in less favorable work and performance outcomes.

#### Method

### **Procedure**

Managers of six five-star hotels located at the Alanya Center in the Kundu region of Turkey were approached. All agreed to take part in the research. Four of these hotels are year-round operations while two are seasonal operations. Properties had 400 to 500 employees, the number increasing during the summer months. Managers distributed 65 surveys to be completed anonymously by employees then returned to these managers, who then forwarded them to the research team. A total of 293 surveys were returned with 27 being incomplete to some degree. The final sample (n=266) represented a 68% response rate.

### Respondents

Table 1 presents the personal demographic and work characteristics of our sample (n=266). Most were male (62%), worked full time (91%), were 30 years of age or younger (66%), were single (62%), without children (68%), had a Bachelor's university degree (48%), worked in their present jobs and worked for their present hotels between two and five years (45% and 59% respectively), held non-management positions (75%), had no supervisory responsibilities (51%), worked between 41 and 50 hours per week (74%), and worked in the food and beverage department (40%).

Table-1: Demographic Characteristics of Sample

Variable	N	Per Cent
Gender		
Male	166	62.4
Female	100	37.6
Work Status		
Full Time	235	96.4
Part-Time	22	3.6
Parental Status		
Children	85	32.0
Childless	181	68.0
Department		
House Keeping	29	10.9
Food and Beverage	111	41.7
Front office	48	18.0
Accounting	22	8.3
Human resources	13	4.9
Other	43	16.2
Work Hours		
40 or less	25	9.5
41 – 50	195	73.8
51 or more	44	18.6

Organizational Tenure		
1 year or less	109	41.0
2 – 5 years	124	46.6
6 – 10 years	23	8.6
11 or more	10	3.8
Age		
25 or younger	87	32.7
26 – 30	88	33.1
31 – 35	60	22.5
36 – 40	17	6.4
41 or more	14	5.3
Marital Status		
Single	163	61.5
Married	102	38.5
Education		
Elementary school	23	8.6
High school	104	39.1
Bachelor's degree	129	48.5
Master's	10	9.8
Organizational Level		
Non-management	199	74.8
Lower management	51	19.2
Middle management	12	4.8
Senior management	4	1.5
Supervisory Duties		
Yes	121	45.7
No	144	54.3
Job Tenure		
1 year or less	62	23.3
2 – 5	119	44.7
6 – 10	63	23.7
11 or more	22	8.3

### Measures

All measures used in the research were translated from English to Turkish and back by members of the research team fluent in both language using the back translation method.

### Personal and work situation demographics

Personal and work setting characteristics were assessed by a number of single items. The former included: gender, age, current work status, current marital and parental status, and level of education. The latter included hours worked per week, organizational level, job tenure, organizational tenure, organizational size, and whether respondent had supervisory duties. These items served as control variables in some of our analyses.

### **Organizational Empowerment Practices**

Three dimensions of organizational empowerment practices were assessed by a scale created and validated by Mathews, Diaz and Cole (2003). Responses were made on a five-point Likert scale indicating level of agreement with each item (1=Strongly disagree, 3=neither agree not disagree, 5=strongly agree). These scales were:

Dynamic structural framework was measured by seven items ( $\alpha$ =.78). One item was "Employees have a say in changing hotel policies".

Control of workplace decisions was measured by seven items ( $\alpha$ =.70). One item was "Employees have a say in defining their own job responsibilities".

Information sharing was measured by five items ( $\alpha$ =.60). An item was "The hotel publishes information on the company's reward structure."

These scales were developed and validated in a series of studies with various groups of university students; the development and validation of this measure did not involve employees holding paid jobs in organizations.

### **Psychological Empowerment**

Psychological or personal feelings empowerment was measured by a twelve item scale developed and validated by Spreitzer (1996, 1995). This measure tapped four dimensions, each addressed by three items. Respondents indicated their agreement with each item on a seven-point Likert scale (1=very strongly disagree; 4=Neutral, 7=Very strongly agree.

Meaning ( $\alpha$ =.94) "The work I do is meaningful to me."

Competence ( $\alpha$ =. 95) "I am confident about my ability to do my job."

<u>Self-determination</u> ( $\alpha$ =.86) "I have significant autonomy in determining how I do my job."

 $\underline{\text{Impact}}$  ( $\alpha\text{=}.91)$  "My impact on what happens in my department is large.)

### **Work Outcomes**

Four work outcomes were included.

<u>Job satisfaction</u> was assessed by a seven item scale ( $\alpha$ =.86) developed and validated by Taylor and Bowers (1972). Respondents indicated their agreement with each item on a five-point Likert scale (1=Very Dissatisfied, 3=Neither Satisfied or Dissatisfied; 5=Very Satisfied. One item was "All in all, how satisfied are you with the persons in your work group?"

Affective commitment was measured by a six item scale ( $\alpha$ =90) developed and validated by Meyer and Allen (1997). Respondents indicated their agreement with each item on a five-point Likert Scale (1=Strongly disagree, 3=Neither agree nor disagree; 5=Strongly agree). One item was "I am proud to tell others I work at my hotel".

Intent to quit was measured by two items ( $\alpha$ =.81) used by Burke (1991). Respondents indicated "yes or no" for both items. One item was "Are you currently looking for a different job in a different organization?"

#### Service Excellence

Quality of service provided by respondents to guests or clients was assessed by a six item scale ( $\alpha$ =.91) developed and validated by Peccei and Rosenthal (2001) Respondents indicated their agreement with each item on a five-point Likert scale (1=strongly disagree); 3-Neighter agree nor disagree, 5=Strongly agree). An item was "I am strongly committed to service excellence."

#### Results

#### **Work Departments**

It is sometimes observed that women and men may work in different departments within a hotel and this may produce differences in both work experiences and work outcomes Table 2compares the percentages of women and men working in various departments. Although the overall Chi square statistic tended to reach statistical significance (p<10), the only potential meaningful differences were found in food and beverage (slightly more men) and other, slightly more women). These indicated more similarities than differences in the departments in which our male and female respondents worked.

**Table-2: Work Departments** 

	Males	Females	Total			
Department	N	N	N			
·	(%)	(%)	(%)			
Housekeeping	15	14	29			
Housekeeping	(9.0)	(14.0)	(10.9)			
Food and Poverage	81	30	111			
Food and Beverage	(48.8)	(30.0)	(41.7)			
Front office	27	21	48			
Front office	(16.3)	(21.0)	(18.0)			
Accounting	14	8	22			
Accounting	(8.4)	(8.0)	(8.3)			
Human resources	8	5	13			
Human resources	(4.8)	(5.0)	(4.9)			
Other	21	22	43			
Other	(12.7)	(22.0)	(16.2)			
Total	166	100	266			
Total	(100.0)	(100.0)	(100.0)			
X2=10.86 P=.10						

### **Gender Differences**

Table 3 presents male and female comparisons on all measures used in the study. The following comments are offered in summary.

**Table-3: Gender Differences** 

Particulars	Variable		Males			Females		
Particulars	variable	Mean	SD	N	Mean	SD	N	Р
	Age	29.7	6.49	166	27.7	5.87	100	NS
	Marital status	1.4	.48	166	1.4	.49	100	NS
Personal Demographics	Parental status	1.7	.48	166	1.7	.45	100	NS
	Education	2.4	.72	166	2.6	.67	100	.05
	Work status	1.1	.28	160	1.1	.28	97	NS
Work situation characteristics	Hours worked	47.3	12.42	164	44.7	12.42	100	.10

	Organizational level	1.3	.62	166	1.3	.66	100	NS
	Supervisory duties	1.5	.50	166	1.6	.49	99	.10
	Organizational tenure	2.9	3.05	166	2.9	2.91	100	NS
	Job tenure	5.1	4.20	166	4.4	4.31	100	NS
	Guidance	23.7	4.40	166	24.0	3.73	100	NS
Organizational amnouserment	Control	22.0	4.80	166	22.5	4.07	100	NS
Organizational empowerment	Information	15.5	3.22	165	15.5	2.75	100	NS
	Total	61.1	10.23	165	62.0	8.10	100	NS
	Meaning	11.8	3.27	166	11.6	3.32	100	NS
	Competence	12.8	3.11	166	12.6	3.06	100	NS
Psychological empowerment	Self-determination	11.3	3.10	166	11.0	3.03	100	NS
	Impact	10.5	3.06	166	10.3	2.78	100	NS
	Total	46.5	10.90	166	45.5	10.23	100	NS
	Job satisfaction	24.8	5.84	166	24.5	5.42	100	NS
Work outcomes	Affective commitment	21.2	5.96	166	21.3	5.73	100	NS
work outcomes	Intent to quit	3.4	.84	165	3.6	.73	90	NS
	Service quality	26.0	4.87	166	26.0	4.74	100	NS

### **Personal Demographics**

Women and men differed on only one of the five personal demographics; women were significantly more educated than men.

### **Work Situation Characteristics**

Two work situation characteristic differences approached statistical significance (p<10); men tended to work more hours and tended to indicate having some supervisory responsibilities.

### Organizational Empowerment, Psychological Empowerment and Work Outcomes

Men and women indicated similar levels of organizational empowerment practices, levels of felt psychological empowerment and evaluations of all four work outcomes

### Discussion

We conclude that the women and men in our samples indicated generally similar workplace experiences in terms of both macro and micro levels of empowerment and on important work outcomes including perceptions of service quality. We interpret the absence of significant gender differences on these important employee outcomes as signs of progress towards equality in the workplace at least in these properties. For example while turnover intentions were expected to be higher for women than for men, women's intentions to quit were similar to that of their male colleagues. These findings were contrary to earlier conclusions indicating that women were more likely to quit. Time will tell if this equality continues for the women in the sample since both male and female respondents were relatively early in their work and careers.

An interesting question then becomes why the experiences of women and men were so similar. We can only speculate on this. It may be that the management/supervisors of these hotels truly treated women and men the same and held similar expectations for both sexes. In addition, these properties were all five star hotels, which may suggest they felt obligations to deliver high quality service from both women and men holding front-line service positions.

### Limitations of the Research

The present research, like all research, has limitations which should be noted to better assess the results. First, all data were collected using self-report questionnaires having the limited possibility of response set tendencies and common method biases. Second, all data were collected at one point in time making it challenging to address issues of causality. Third, although the sample was relatively large, all respondents came from high quality properties in the same region of Turkey making it unclear the extent to which our findings would generalize to hotels in other regions or hotels of lower quality. Fourth, it was not possible to determine the representativeness of our sample as well.

### **Future Research Directions**

The results indicated that both organizational empowerment practices and psychological empowerment feelings predicted important work outcomes among a large sample of front-line service workers from five-star hotels in one region of Turkey. It is necessary to both replicate and to extend our work. First, more attention must be paid to the measure of organizational empowerment processes used here. This measure has now been used in at least three studies and has yielded different factor structures in each case. There are several potential unique features of the hotel industry including high levels of competition, a low skilled workforce, high rates of employee turnover, and little application of human resource management policies and practices (Lucas, 2004; Worsford, 1999). It may be that this measure is more appropriate in some types of industrial sectors than in others. Second, work outcomes having more objective indicators such as absenteeism, job performance assessments of supervisors, and client satisfaction measures would add much to our understanding of the implications of empowerment. Third, longitudinal research is needed to address causal relationships more directly. Fourth, efforts to increase levels of both organizational and psychological empowerment need to be undertaken and evaluated. Fifth, although the numbers of women and men in various departments or units were too small to permit statistical comparisons, future research might consider gender differences in various departments using larger samples, some departments more heavily staffed by women (e.g., front desk).

It would be important for future research to also examine more closely elements of workplace culture, in addition to organizational empowerment practices undertaken by senior managers in these properties, to better understand what they do to create similar work experiences and outcomes for male and female front-line service providers.

#### **Footnotes**

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