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THE IMPACT OF IT ON THE DEVELOPMENT OF SMALL AND MEDIUM ENTERPRISES IN IRAN (GILAN PROVINCE)

Mahdi Hajami,¹
Ali Sayad Ghobadi²

Abstract:

Environmental organizations in stressful, unpredictable, complex and changing work and earn more profit, the market and the overall survival and their growth and to achieve these objectives should be capable of rapid response Rqabnd the obligations and opportunities such dynamics have on the environment, Technology used to rapidly modify and update any new technology comes to market And choice of quality goods and services will change and this increase is the result of today's technologies and methods will become obsolete over time

Given the importance of its role in today's world of information technology in organizations today, it is necessary to understand this concept and its effects on unemployment agencies, organizations and businesses a competitive advantage in the use of IT can help.

This study determines the impact of IT on small and medium industries have been developed that industrial development can be considered Risen factor of 5. To examine the impact of IT on these sales, after sales service, management, marketing, inventory control and access to new tools will be studied. To examine the impact of IT on these sales, after sales service, management, marketing, inventory control and access to new tools will be studied.

The study population consisted of all small and medium industries in the province, which is produced by way of information technology in organizations are benefiting.

The number of companies registered in 2556, the number will be selected randomly. Data set can be obtained using a questionnaire that using the spss software using descriptive statistics (mean, standard deviation, frequency, percent) and t-test analysis will be. Several studies have shown that many developed countries owe developing small and medium enterprises are not large firms.

Also considering that many of these firms using new technology to increase competitiveness and profitable for them is the Understanding the impact of IT on the development of small and medium enterprises has doubled.

Keywords: Information technology, business development, small and medium industries

1. Introduction

Today, the economic reforms of the formation and operation of small and medium scaled enterprises (SMEs) in many countries, especially developing countries is considered as a strategic approach that highlights the need to change the role of government, empowering the private sector, the competitiveness of the economy and the interaction with global rules and policies based on economic liberalization and strengthening of the private sector for the development of economic activity (Fernando, 2001).

Although large industries are still being considered by economic policy makers due to advantage of the effects of large scale, the production range, the experience effect and the effect of regulation, but the advantages of small and medium enterprises due to the effects of transport, market size effect, the effect of regulation, effective choice and control effect have made this industry are often the first choice in the good production.

But the industry to solve this problem and competitiveness ability in the global arena requires extensive and rapid changes. IT as a transformational tool has several applications at each stage of the value and supply chain of organizations. these applications if used properly can respond to needs facing the industry (Malekinezhad, 2009).

Today, the economic development of small and medium enterprises is recommended as a way to pass the transition period for developing countries and even developed countries (Mohtarami et al., 2010).

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Small and medium industries need to have an efficient organization. This requires to do the necessary purchases in the right time and to identify the necessary resources for the future. Computers and servers, software and connections to the Internet include technologies that help the growth of small and medium industries and small businesses should do a good investment in this regard in all areas, whether urban or rural.

Consistent with the growing evolution and development of IT, the utilization and investment in this area is growing. Successful companies are largely owes their growth and profitability to continuous investment in IT and hence try to equip their higher levels of organization to meet the requirements of this organizational effecting area.

Many of these organizations are trying to gain competitive advantage and achieve higher performance and better meet the organization by the application of information technologies. Therefore, the recognition of concepts of IT and factors affecting the application of IT in organizations is necessary.

2. The main text of the articles

Increasing progress in changes in the modern business environment has made small and medium enterprises as part of global production networks and chains so that small and medium enterprises development is key to economic development in the next decade.

Studies have shown that small businesses have impact on the global economy by job creation and increase income. Moreover, the intensification of global competition, increased uncertainty and growing demand for diverse products has led to greater interest in small enterprises.

So moving toward in order to organize and assist small and medium industrial units should not be viewed from the angle of rent-seeking group. Instead, the goal is to improve the industrial structure and the making structure competitive for future challenges when the competitiveness of the enterprises are the best answer to the problem of chronic unemployment in the country (khezri, 2009)

Experts in management and organization define IT as set of tools that can guide an organization's customers in decision making process with detailed information on its time. IT makes the organization's policies more accurate and job description are expressed in more detailed (Gibb, AA 2000).

In this age, IT is the fastest and cheapest technology and since the main problem of small businesses are in marketing and sales if IT is used properly by small businesses, it can lead to the development of small industry.

Small industries cannot spend a large percentage of capital and income on newspapers and their advertising brochures due to money constraints. But the use of the Internet made it possible for the small industry that their production are been seen with low co t by millions of visitors every day and at any time on the website. In addition, place restrictions disappears on the case of e-commerce using for sales and marketing of their products in domestic and foreign markets. It is also possible to compare products with similar products at home and abroad with international standards (Nodeh Farahani, 2003).

The use of ICT in small and medium industries result in improved communication and data exchange capabilities, teamwork, customer relationships, market share increase, competitive advantage, etc. Another benefit of e-commerce can be taking higher efficiency in trading because of fast and accurate processing of information. Website activating will lead to increased competition in the small and medium industries because stronger relationships with customers will change through the creation of the company relationships with its customers. The use of ICT in small and medium industries in the service sector could also facilitate cooperation between the company and other companies. Small and medium industries can use web-based tools and technologies such as modeling tools, development tools services, discussion groups, education and so on.

Increasing value role of IT is in enrichment of infrastructure which increase the organization's ability to perform competitive operation in the market as well as the ability to adapt to constantly external changing environment for its organization. Therefore, in the other way, the relationship between the dynamic and competitive operation helps to organizational units to use IT resources to boost their competitive operation. Thus there is a mutual relationship between the IT and organizational performance and vice versa. In other words, the application of IT within the organization can improve organizational performance.

IT is a branch of technology that uses hardware, software and network for study and application of data and its processing in the fields of storage, manipulation, transfer, management and control.

Development of small and medium industries: the increased use of inputs with increased economic efficiency and the use of empty capacity to increase production capacity and reduce cost or in other words, the growth and development of industries in terms of favorable conditions and competitive advantages such as exports, industry modernization and profit,... are defined as the development of small businesses.

The use of ICT in small and medium-sized companies in the service sector can improve the competitive advantage and the company's performance. Small and medium industries with all their advantage facing many problems in their developments. One of the factors that led to the development of small and medium industries can be sales improvement, having the proper management in the organization, providing appropriate services to clients, inventory management, and access to modern means of marketing that if used properly and in time can be a competitive advantage (Beikzad et al., 2009)

Correct management:

Studies about the management of small and medium industries suggest that even management functions such as planning, organizing, staffing, directing and controlling fail in many industries. Financial management is very weak in many small and medium industries, decision-making has been delayed, workers' welfare and retirement planning is not provided and production planning does not take place.

Access to new marketing tool:

Marketing means integrating all activities in the direction of further sales. In fact, no matter how we define marketing, it is important to know that in the modern world without marketing we cannot continue our economic activity and more importantly marketing is not just advertising! Marketing is providing an appropriate product or service in the relevant market at a reasonable price. While short-term promotional measures should not be confused with marketing, in marketing, the concepts should have a clear definitions and benefit should be considered for long time period.

Sales:

Sales and marketing are critical elements for the stability and progress of the business in organizations. No matter what is the business, sales and marketing and productivity can have a good income for the organization. Sales and marketing are often dependent on each other that could directly affect the productivity of marketing. Sales and profits increase as the amount of funds spent on marketing is valuable for large and small organizations. Weak marketing led to falling sales, rising costs and even it will lead to bankruptcy of the organization if it continues (Nodeh farahani, 2003).

After-sales service:

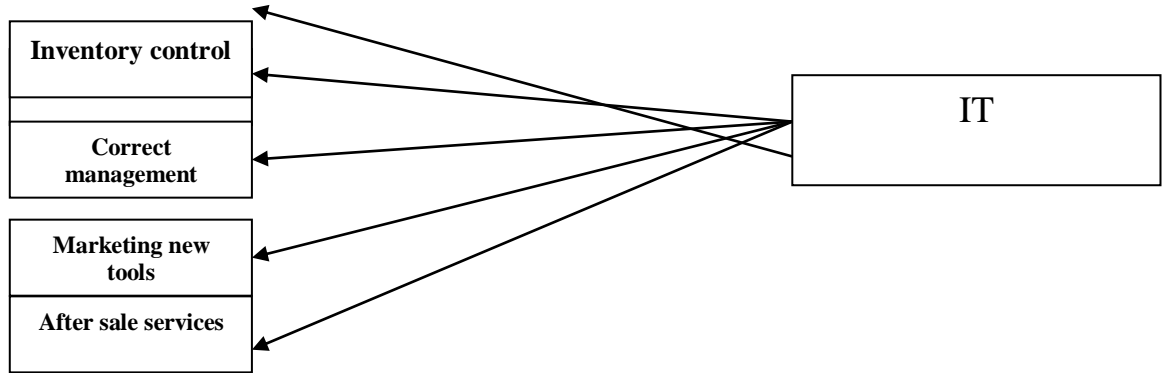
Services are an activity between organizations and customers to promote the sale and the use of products and it also includes operations provided by the manufacturer to the customer during the entire transaction (Christopher, 2000).

Inventory control:

Optimal inventory management has multiple and continuous challenges for small business. In each of these companies, design and implementation of inventory planning system should be based on their strategic planning systems. Optimized inventory control include shopping, taking care of the materials needed in the production process or retail.

Research conceptual model

Every research needs a theoretical framework. Theoretical framework is a model that the researcher theorizes the relationship between the factors that create the problem the use of IT. The theoretical framework does not necessarily be researcher opinion and originate from previous studies. The theoretical framework of this study (Figure 1) is taken from Beikzad et al (2009) study.



Research Hypothesis

The main hypothesis of research study

The use of IT has positive effect on the development of small and medium industries.

The sub-hypothesis of research study

The use of IT causes more precise control of the small and medium industries.

The use of IT increases sales in the small and medium industries.

The use of IT causes the right management in small and medium industries.

The use of IT would benefit small and medium enterprises to apply advanced technology marketing for their product presentation and sales.

The use of IT improves the after sales services.

Research methodology:

This practical study is correlational descriptive in data collection methods view point. The study population consists of all small and medium companies that includes 2556 enterprises. Cochran formula was used to determine the sample size according to the above formula sample size of 135 firms was calculated.

In this study, the data collection method to assess the impact of IT on the development of small and medium industries was the researcher questionnaire. The questionnaire was adjusted based on Likert scale to measure five factors: sales, after-sales service, access to modern means of marketing, inventory control and organizational management.

To determine the validity, the questionnaire was examined by teachers, advisors, and a number of professors of the university so that they examined any questions of the questionnaire and finally the questionnaire was approved.

Cronbach's alpha coefficient is used for reliability coefficient calculation with an emphasis on internal consistency. To calculate the reliability coefficient using Cronbach alpha, the questionnaire was distributed between 30 enterprises and table below shows the reliability of the research tools.

Research variable	α value
IT	0.896
Management	0.813
Inventory control	0.828
sales	0.796
Marketing	0.737
After sales services	0.891
Small enterprises development	0.888

As specified in the above table, the values of Cronbach's alpha and the reliability of each variable is more than 0.7, which indicates good reliability of the model.

Findings

The distribution of the dependent variable values should be normal for using parametric statistical techniques, that it is tested by Kolmogorov-Smirnov test.

Development variable of small and medium enterprises are normally distributed H0:

Development variable of small and medium enterprises are not normally distributed H1:

Since the p-value obtained for all aspects of small and medium business development variables is less than 0.05, the null hypothesis is rejected and thus dependent variable in the sample are not normally distributed, so nonparametric methods (Spearman correlation coefficient) must be used for inferential statistics.

The main hypothesis: The use of IT has positive effect on the development of small and medium industries.

The independent variable	The dependent variable	Number	correlation coefficient	significant level	Result
The use of IT	The small and medium organizations	135	44.4	0.000	Confirmed

The sub-hypothesis no. 1: The use of IT causes more precise control of the small and medium industries.

The independent variable	The dependent variable	Number	correlation coefficient	significant level	Result
The use of IT	Inventory control	135	21.3	0.013	Confirmed

The sub-hypothesis no. 2: The use of IT increases sales in the small and medium industries.

The independent variable	The dependent variable	Number	correlation coefficient	significant level	Result
The use of IT	Sales amount	135	31.6	0.000	Confirmed

The sub-hypothesis no. 3: The use of IT causes the right management in small and medium industries.

The independent variable	The dependent variable	Number	correlation coefficient	significant level	Result
The use of IT	Correct management	135	40.2	0.000	Confirmed

The sub-hypothesis no. 4: The use of IT would benefit small and medium enterprises to apply advanced technology marketing for their product presentation and sales.

The independent variable	The dependent variable	Number	correlation coefficient	significant level	Result
The use of IT	Marketing	135	35.3	0.000	Confirmed

The sub-hypothesis no. 4: The use of IT improves the after sales services.

The independent variable	The dependent variable	Number	correlation coefficient	significant level	Result
The use of IT	After-sales service	135	40.5	0.000	Confirmed

Conclusion

The important issue in the inventory management is access to information and transparency of available information, the orders and purchase items that reduce costs. According to the results of data, IT can solve manual inventory control problems in small and medium industries which often takes place traditionally so access to information become faster, orders times will be more accurate than manual mode and transparency will increase in the organization. The results of this study suggest that use of computers in small and medium industries in the process of inventory control has the same effect as the big industries.

The use of information and communication technology enables the industry to show their product with low cost to millions of visitors every day and at any time on the website. In addition, the space limitations in the use of e-commerce for sales and marketing of their products in domestic and foreign markets disappear and also it becomes possible to compare products with international standards or with similar products at home and abroad. This provides an opportunity for small and medium industries to sell their products and penetrate in global markets. The research results shows that many of the problems facing small and medium industries in the field of administration is due to the lack of correct information, access to a huge amount of information and time-consuming data processing and lack of adequate knowledge and skills in management. According to the results of this research, IT process increases access to information in the organization, reduces processing time from among a host of information and reports required by managers to make decisions and provides a major step forward in the development organization.

According to the results of this study, IT and its components can provide this opportunity for the industry to use new tools for marketing.

As the findings of the study shows, the use of IT in the provision of after-sales service to customers, in addition to the specific order to respond to customers, it will fast response times so that companies can use the site to receive complaints in every time and time and space restrictions will be eliminated.

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ANALYSIS OF THE ROMANIAN MUTUAL FUND MARKET PERFORMANCE WITHIN PRE-CRISIS, CRISIS AND REVIVAL DURING 2008-2014

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Abstract

The study was developed in evaluating the performance of Romanian mutual funds highlighting the results of several selected key indicators. A comparative analysis was developed in order to define the benefits and risks assumed by these investment vehicles beside other available investment alternatives on the Romanian market within the last 8 years' horizon from 2007 to 2014. The aim of our research is to examine the classical rates performance measurement (Sharpe, Treynor and Jensen) and to get an overview of the hierarchy based over the domestic mutual funds market. In determining these rates, it was necessary to obtain coefficients of correlation and volatility, including standard deviation for each category of the mutual funds - equity funds, diversified funds and funds bond. We exclude from the analysis the money market funds as their yield is folded in relation to the exposure of monetary instruments included in the portfolio and which confers a relative stability.

Keywords: investment market, financial instruments, volatility, risk, performance

JEL code: E22, G23, O11.

Introduction

Assessing investment funds performance must take into account the interaction between investment funds and portfolio companies, and afterwards we can identify three categories of factors that might affect the results of investment funds as follows:

- the characteristics and the results of the company included in the portfolio;
- the investment strategy changes of the fund (amendment allocations, changes in the portfolio distribution, etc.);
- market conditions as external factors influence both for the company's portfolio and the management strategy of the fund.

Starting from investor motivation, any form of investment must be justified in terms of three criteria (Bailesteanu 1998): profitability, liquidity and safety. Since profitability is a basic measure of the performance (Filip 2008) that comes to define the added value derived from the value increase in the unit value of the fund assets, the other two elements complement the "magic triangle of investments" (Bailesteanu 1998).

Alignment of the three items is not guaranteed and conflicts may be occurred between them, such as:

- safety vs profitability - a high degree of safety is often associated with low profitability, while considerable results are obtained mostly with high risks;
- liquidity and profitability - requires a high liquidity diminished returns.

We find that the binomial profitability - risk cannot be dissociated and the onset of one of these elements is assured by the expense of the other, respectively, a level considered risk arises as the desire to obtain higher yields. Thus they were established in the literature a number of methods for measuring the performance of investments consisting of risk assessment as well as the evaluation of risk-adjusted returns.

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Literature review and theoretical/conceptual framework

While managing portfolios the investment funds performance is related to assessing the effectiveness of the managed portfolios. (Fairly 1999) associated the following potential benefits derived from unit funds ownership:

- increasing mutual fund asset value (+ $\Delta\%$ ATN);
- dividends paid by the portfolio company for the relevant shareholding in the capital;
- capital gains earned by the investment fund after investment activity.

The option of choosing the best measures for assessing the performance of investment funds by the criterion of profitability - risk is a fundamental statement of performance measurement adequacy calculation.

Most research on explaining the performance of investment funds (Giles, Alexeeva & Buxton 2003) (Chan et al. 2009), (Sanchez & Sottorio 2009) (Haslem 2010) (Shi 2013) identified and agreed that following approaches express unitary the performance evaluation, according to the Table 1 structure.

Table 1 Measures in assessing the investment funds performance

<i>Standard indicators</i>	<i>Alternative indicators</i>
Sharpe rate Treynor rate α Jensen	Sortino rate (Sortino & Price, 1994) Entropy rate Modigliani squared rate (M^2) Pederson-Satchell rate Omega index VaR și VaR conditional (CVaR) Non-parametric models (e.g. Data Envelopment Analysis) Multifactorial models (Fama & French, 1993; Carhart, 1997;)

Source: (Pedersen & Rudholm-Alfvín 2003), (Filip 2008), (Nițu 2009), (Luckoff 2010)

Due to the fact that the majority of the alternative methods are specific to the US fund market, we encounter difficulty in transposing them to the domestic market and we appreciate to use within the research the traditional rates to relate the performance evaluation (moreover due to the fact that local historical records are barely developed since 2000). At the same time, we recognize the shortcomings of traditional measures for assessing performance, but consider them appropriate to use such appreciation rates for the domestic investment fund market as long as these investment vehicles benefit from a diversified portfolio differentiated only by the degree of exposure in assets and a market risk near total risk the portfolio. Thus, this situation is equivalent to the application of the classical rates i.e. Sharpe, Treynor and Jensen rates.

To assess the measures of mutual funds' performance the database considered was provided by the Association of Asset Managers Romania (abr. AAF), the Financial Supervision Authority (abr. ASF former CNVM) for the period 2007-2015, considering domestic fund categories - 74 active mutual funds on the Romanian market.

Methodically, we focused on analyzing the performance of each category of funds as benchmarks using comparable indicators in relation to their exposure in the market. In this respect, to assess the performance of the equity funds and diversified, we will consider that progress benchmarks indices BET and BET -FI. Instead, for low risk funds (i.e. money market and bonds funds), the most representative benchmark for their performance is the gain associated with an investment in a bank deposit capitalization for the period of calculation. Therefore, we used the average interest rate for 3-month deposit rate, the yield of government securities on 6 -months, treasury bills profitability, all calculated according to the Romanian Central Bank statistics.

Also, the performance analysis of local mutual funds considers assessing the indicators provided by the Association of Asset Managers Romania (abr. AAF) and by patterns of performance evaluation risk-adjusted (relative to rates Sharpe, Treynor and Jensen). For investors, the variables related to performance and risk funds are the most important criteria for the selection of any investment placement. The data analyzed are reported in monthly ranges of the last 10 years, i.e. 2007-2015. For issuing relevant comparisons between the evolution rates of return and risk associated with the local mutual funds, we considered the BET index in assessing the market volatility, monthly average interest rate of government bonds as a measure of the lowest risk rate and the inflation rate to assess changes in the value of the purchasing power of money. Data were retrieved and analyzed based on AAF, CNVM&ASF, National Bank of Romania and National Institute of Statistics records.

Main results

While the study focuses on the period between 2007-2015, we considered opportune to breakdown the performance analysis over 3 sub-periods: 2007-2009, 2010-2012 and 2013-2015 - intervals corresponding to the onset of the global capital market crisis, financial crisis - the debt crisis period, as well as the revival period. Thus, the performance analysis is thorough observation into returns, volatilities and correlations between times of instability (2007-2013) and the period of economic recovery, aiming to identify possible interdependencies between profitability indicators calculated and overall economy. Derived records expose the following evidences for the risk-performance analysis of equity funds (abr. FDA), as presented in table 2.

Table 2. Best 3 performances of FDA funds in Romania 2007-2015

Time period	<i>Sharpe rate</i>	<i>Treynor rate</i>	<i>Jensen rate</i>
2007-2009	Active Dinamic Raiffeisen Prosper BT Maxim	Active Dinamic Raiffeisen Prosper BT Maxim	Active Dinamic Raiffeisen Prosper Certinvest Maximus
2010-2012	ERSTE Equity OTP Avansis Certinvest Maximus	ERSTE Equity OTP Avansis Certinvest Maximus	ERSTE Equity OTP Avansis Raiffeisen Prosper
2013-2015	ERSTE Equity BT Maxim Raiffeisen Actiuni	ERSTE Equity BT Maxim Raiffeisen Actiuni	ERSTE Equity BT Maxim Raiffeisen Actiuni
Overall period 2007-2015	Certinvest XT Index ERSTE Equity BT Maxim	Certinvest XT Index ERSTE Equity Raiffeisen Prosper	Certinvest XT Index ERSTE Equity Raiffeisen Prosper

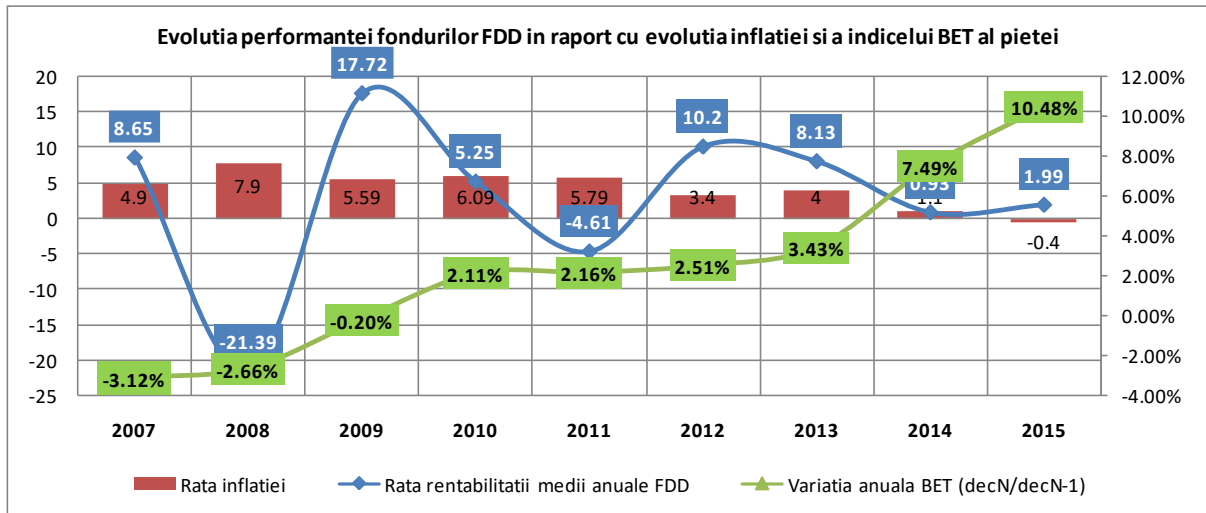
Source: author's own processing

According to the high exposure in shares, equity funds have generated results below the market average until 2012 except ERSTE Equity Romania fund which has improved its profitability- risk scores from 2010-2012, registering positive values for all three calculated rates. Period 2013-2015 outlines the relaunch of equity market, e.g. 6 of the 10 funds included in the analysis leading to positive rates of performance. Thus, the records of Sharpe rate, Treynor and Jensen rates unitary define the top three equity funds with returns in excess of the assumed risk, namely: (1) ERSTE Equity Romania fund, (2) BT Maxim and (3) Raiffeisen Actiuni.

Considering the balanced funds performance analysis, for the past 3 years we see that in the most cases they have followed the benchmark (i.e. the yield of the bank deposit rate of 13%) which represents a minimum in terms of a conservative approach. In contrast, only part of the diversified funds have exceeded the best performing funds with low risk over the past 3 years, e.g. Carpatica Global, Erste Balanced RON and Raiffeisen Benefit.

Figure 2 shows the diversified or balanced fund (abr. FDD) performance evolution against the market dynamics (represented by the annual change in BET) and inflation.

Herewith we observe as well the W dynamics in 2007-2012 range, being strongly influenced by the global financial crisis (2007-2009) and its enlargement towards the debt crisis in the next period (2010-2012).



Source: author's own processing

Figure 2. FDD performance evolution vs inflation rate and benchmark rate

During the financial market turmoil, investors' preference for low-risk instruments has created opportunities for bond funds which proposed the highest average returns across the analyzed investment horizon. If the average annual return on mutual funds was 3.88% on a long term investment (8 years), bond funds had to remunerate the subscription to these instruments at 6.91%. The same positive spread has been proposed by medium-term and short term, with an annual average rate of return of 7.16% (5 years' investment), of 5.86 % (3 years investment) and 5.43% (for the last year 2014 / 1 year investment), higher than the suggested rate of other collective investment undertakings, all surpassing even the remunerative rate of the traditional bank deposits of 2.90 % (2014). Thus, we find that for bond funds the most attractive yields (see Table 3) were generated by Horizon funds, OTP Bonds and BCR Clasic for long-term investments (8 years). Zepter Bonds and Raiffeisen Benefit supplement the performing funds with an average annual return of about 10% for 5 years' investments.

Table 3. FDO performances in Romania, 2007-2014

Top	FO- TOP 10 performante / Bottom 10							
	Randament mediu 2007-2014 (8 ani)		Randament mediu 2010-2014 (5 ani)		Randament mediu 2012-2014 (3 ani)		2014 (ultimul an)	
	Fond	Randame	Fond	Randame	Fond	Randame	Fond	Randame
1	Orizont	11.90	Orizont	11.51	Zepter Obligatiuni	10.47	Raiffeisen Benefit	8.01
2	OTP Obligatiuni	8.44	Zepter Obligatiuni	10.47	Raiffeisen Benefit	9.54	ING International Romanian Bond Fund	7.36
3	Bcr Clasic	7.97	Raiffeisen Benefit	9.54	Certinvest Tezaur	7.10	ERSTE Bond Flexible RON	6.19
4	Certinvest Obligatiuni	7.26	OTP Obligatiuni	8.44	ERSTE Bond Flexible RON	7.09	Carpatica Obligatiuni	6.08
5	Certinvest Tezaur	7.20	ERSTE Bond Flexible RON	8.27	ING International Romanian Bond Fund	6.75	OTP Obligatiuni	5.27
6	ERSTE Bond Flexible RON	6.99	Certinvest Obligatiuni	7.26	OTP Obligatiuni	6.31	Stabilo	4.87
7	Vanguard Protector	6.97	BT Obligatiuni	7.17	Certinvest Obligatiuni	6.15	BT Obligatiuni	4.83
8	BRD Obligatiuni	6.95	Certinvest Tezaur	7.10	BT Obligatiuni	5.91	Certinvest Obligatiuni	4.74
9	Stabilo	6.83	BRD Obligatiuni	6.30	Stabilo	5.41	Erste Bond Flexible Romania EUR (Alte Fonduri)	4.09
10	Fortuna Gold	6.64	ING International Romanian Bond Fund	6.08	BRD Obligatiuni	4.86	BRD Obligatiuni	3.79
11	Raiffeisen Benefit	6.38	Stabilo	6.00	Carpatica Obligatiuni	4.12	Zepter Obligatiuni	0.00
12	BT Obligatiuni	6.21	Carpatica Obligatiuni	4.12	Erste Bond Flexible Romania EUR (Alte Fonduri)	2.04	Certinvest Tezaur	0.00
13	ING International Romanian Bond Fund	6.08	Erste Bond Flexible Romania EUR (Alte Fonduri)	2.04	ERSTE Money Market RON	0.00	ERSTE Money Market RON	0.00
14	Zepter Obligatiuni	4.68	ERSTE Money Market RON	0.00	FDI FIX INVEST	0.00	FDI FIX INVEST	0.00
15	Carpatica Obligatiuni	4.12	FDI FIX INVEST	0.00	Orizont	0.00	Orizont	0.00
16	Erste Bond Flexible Romania EUR (Alte Fonduri)	2.04	Bcr Clasic		Bcr Clasic		Bcr Clasic	0.00
17	ERSTE Money Market RON	0.00	Vanguard Protector		Vanguard Protector		Vanguard Protector	0.00
18	FDI FIX INVEST	0.00	Fortuna Gold		Fortuna Gold		Fortuna Gold	0.00

Source: author's own processing using AAF statistics

Bond funds (abr. FDO) show a strong correlation to money market instruments (coupon rate of government bonds, the attributed rate for treasury bills and the rate for bank deposits) (Table 4), for which the performance is in excess of 80 % of these rates. Recognized as fixed income investment instruments, bond funds give better stability compared to equity funds and balanced ones.

Table 4. Determinants of FDO performance

Correlation coefficients of FDO against indicators	Value
Government bond remuneration rate	0.894915
Treasury certificates remuneration rate	0.986529
Banking interest rate (12M)	0.955762
Annual variation BET index (decN/decN-1)	-0.7628

Source: author's own processing

We note, however, that these funds are inversely correlated with the stock market (correlation coefficient of -0.7628), respectively market instability does not dictate the evolution of bond funds performance in the local market. Under these conditions, the unitary value of the net assets is more stable in the case of fixed income funds (bonds) compared to equities and diversified funds, giving investors regular income under a reduced risk of investing.

The starts of the investment funds in the post-crisis period (after 2009), the local money market funds have generated higher net gains on bank deposits, becoming the principal catalyst that has supported the development of the mutual funds industry (Dumitriu 2015). Thus, in the last year, the average earnings brought by bank deposits was about 3.32%, while the most representative money market mutual funds - Certinvest Prudent and ERSTE Money Market RON obtained yields of about 5% (e.g. 5.31% -June 2014 - Prudent Certinvest, 4.93% - the period January to March 2014 for ERSTE Money Market RON).

Within the analyzed period, the money market funds have achieved higher returns over inflation and better results than traditional bank deposits in 2009 and 2010.

Table 5. FDM results between 2007-2014

Top	FM- TOP 10 performante / Bottom 10							
	Randament mediu 2007-2014 (8 ani)		Randament mediu 2010-2014 (5 ani)		Randament mediu 2012-2014 (3 ani)		2014 (ultimul an)	
	Fond	Rm	Fond	Rm	Fond	Rm	Fond	Rm
1	Bancpost Plus	11.14	Bancpost Plus	24.37	Raiffeisen Ron Plus	7.18	ERSTE Money Market RON	3.87
2	Certinvest Tezaur	7.78	Raiffeisen Monetar	9.67	Certinvest Tezaur	7.07	Certinvest Prudent	2.68
3	BRD Simfonia 1	7.67	Bcr Monetar	8.72	Bcr Monetar	6.97	Raiffeisen Ron Plus	na
4	Raiffeisen Ron Plus	7.33	Certinvest Tezaur	7.78	OTP ComodisRO	6.54	Certinvest Tezaur	na
5	Bcr Monetar	6.88	OTP ComodisRO	7.76	BRD Simfonia 1	5.60	Bcr Monetar	na
6	OTP ComodisRO	6.72	Raiffeisen Ron Plus	7.33	IFond Monetar	4.58	OTP ComodisRO	na
7	Raiffeisen Monetar	6.12	BRD Simfonia 1	6.89	Certinvest Prudent	4.41	BRD Simfonia 1	na
8	Fortuna Gold	5.58	Fortuna Gold	5.58	Fortuna Gold	4.14	IFond Monetar	na
9	Certinvest Prudent	4.41	Certinvest Prudent	4.41	ERSTE Money Market RON	2.31	Fortuna Gold	na
10	IFond Monetar	2.47	IFond Monetar	2.47	Raiffeisen Ron Flexi	0.01	Raiffeisen Ron Flexi	na
11	ERSTE Money Market RON	2.31	ERSTE Money Market RON	2.31	YOU INVEST Active EUR	0.00	YOU INVEST Active EUR	0.00
12	Raiffeisen Ron Flexi	0.01	Raiffeisen Ron Flexi	0.01	Bancpost Plus		Bancpost Plus	0.00
13	YOU INVEST Active EUR	0.00	YOU INVEST Active EUR	0.00	Raiffeisen Monetar		Raiffeisen Monetar	0.00

Source: author's own processing using AAF statistics

With lower exposure to risk, these types of funds were preferred by investors during the economic crisis, proposing rates of return of up to 24.37 % during the financial crisis (Table 5).

Final remarks

Considering the potential fulfilment and the restoration of the investment climate stability, we believe that investors will return to the temptations obtain higher earnings by shifting their actions and changing their position towards equities and equity funds.

We expect that the market will see investors' movement from collective investment towards low risk investment vehicles and gradually diversified to stock funds. Alike (Moses 2015) considers that the main determinants of investors shifting toward risk and are increasing their

interest in financial planning. As the level of financial education will increase, customers of investment funds will be able to accurately define performance expectations and risks that may occur. Consequently, it is assessed that the risks taken will rise, and implicitly will develop those investment funds assessed for higher risks (i.e. equity and diversified funds).

This research approach is significant as there were fewer studies that have included the local industry on the map of the global investment funds market. It becomes one of the studies that observes the main development areas of the national investment funds industry. As well, the research outlines the industry's redimensioning trends and sets a pillar for the local literature.

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THE TOTAL QUALITY MANAGEMENT ON TEACHER PROFESSIONAL DEVELOPMENT IN SECONDARY SCHOOLS IN GHARBIA GOVERNORATE OF EGYPT

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Abstract

The purpose of this study to determine the total quality management on teacher professional development in secondary schools in Gharbia Governorate in Egypt. The study involved 66 respondents (47.4 % male & 52.6 % female) secondary school teachers'. The questionnaire consists of both Arabic language as well as English language. It consists of 28 items which includes Create Constancy of Purpose for Improvement (3 items), Adopt the New Philosophy (4 items), Improve constantly (4 items), Institute Training on The Job (9 items), Institute leadership (4 items) and Drive out Fear (4 items) subscales. This instrument was developed to assess the relationship between total quality management on teacher professional development in secondary schools. Data were analysed using frequency, percentage, independent t-test, ANOVA and Pearson Correlation test. The study found that no difference between gender and experiences on professional development. In additional, it was found that out of six dimension of Create Constancy of Purpose for Improvement, Adopt the New Philosophy, improve constantly, Institute Training on The Job, Institute leadership and Drive out Fear have positive relationship on teachers' professional development. Finally, based on the finding of this study, I wish to suggest that for an improvement future researcher should carry out similar study not only in Gharbia state but also generally in Egypt. Besides, it recommended that should be encourage teachers of secondary school to attend training course and learn recent research and educational studies by providing financial and moral incentives. On the other hand, seminars could be held for high school teachers in order to improve their attitudes and perspectives towards professional development.

Keywords: Total Quality Management, Teacher Professional Development, Secondary School, Gharbia Governorate.

1. Background of the Study

Total quality management in education is the role of the school management, teachers to become effective in the schooling system in teaching and learning process (Yildiz, 2006). Total Quality Management (TQM) is an idea and set of guiding principles and a knowledge that shows the fundament of a continuously improving school and other institution (McCulloch, 2013). Total Quality Management (TQM) is the adoption of quantitative methods and human resources to enhance both services supplied and material to the institutions (Capezio & Morehouse, 2013). It involves standard school structure with well-furnished classrooms, good laboratories, update the library, instructional materials and devoted staff and conducive environment that makes teaching and learning very effective in schooling system (Ozevren, 2000).

In another word, Total Quality Management (TQM) in education has a significant role towards enhancing the standard of education in providing skilled and professional teachers (Bostan, 2005). It is unanimously accepted that the excellence of education of any state determines by the quality of its citizens' education. The latter is mostly resolute by their educational system of the nation, which in turn is decided by the quality of teachers (Aydin & Senturk, 2007). Thus, the real dynamic forced of education is the teachers. TQM embrace changes of teaching tradition, that the teachers require a conducive environment with instructional facilities and resources to discharge their duties in a systematic manner (Ozevren, 2000).

In Egypt, the establishment of secondary education and its role in promoting total quality management and teacher professional development requires to fulfill with a huge number of teachers through full-scoped professional development. For the reason that, a lot of

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college graduates from colleges of education are engaged every year by the government schools in Egypt but most of these graduates newly hired are not prepared for their professional careers (Galal, 2002; Harmer, 2007).

In light of this, the Middle East and North Africa Organization for Economic Co-operation and Development (MENA-OECD) in 2010 hinted that no teaching certification or special teacher qualification is required for a teacher in Egypt but university degree in relation to their specializations or the subject they taught in the school.

Consequently, professional development of teachers becomes a serious component in creating of teachers' skilled and ability profession (Bowman, Donovan, & Burns, 2000; Emery, 2012) that eventually might provide students with a high-quality education. Students require teachers with skilled and competency who are capacitated for preparing students to be life-long and self-directed learners (OECD, 2005).

However, the in-service training was also considered as a threat affecting teachers in this area on their professional development. Nevertheless, the in-service teachers characteristically have relied on their definite experience on the job and in their opinion of their colleagues for improving their personality, however, the practical reality remains challenging. Megahed (2002) pointed out that the MOE fails to provide a suitable system for teacher professional development programs. Also in Egypt, the failure of the government to establish a sound total quality management framework for effective enhancement in secondary school education is among the banes that serve a deterrent to the development of secondary education in the country.

Moreover, the teacher professional development is the official in-service training to improve the content knowledge and informative skills of teachers are broadly regarded as a significant means of improving and upgrading teaching and learning process. However, there is countless intervention from Ministry of Education in Egypt towards involving teacher professional development in their program, but, there are still some obstacles that are disturbing the teachers' professional development in secondary schools of the country. This research tends to examine the total quality management on teacher professional development in secondary schools in Gharbia Governorate in Egypt.

Several studies have shown the relevance of adopting teacher professional development to improve a range of training encounters in the teaching career (Kagoda & Ezati, 2014). Moreover, in the context of total quality management, it is observed that secondary schools in Gharbia Governorate over the years have faced some hurdles such as inadequate facilities for effective teaching and learning, lack of maintenance of existing structures, absence of commitment from the teachers, weak teamwork, poor communication system, paucity of funds, weak performance of students especially in external examinations. These factors have attributed some privilege for parents to enroll their children in private international schools for positive educational outcomes.

Nevertheless, one possible suggestion for improving this quality of education hinged on the application of the ideals of total quality management in secondary school administration in Gharbia Governorate. In the context of teacher professional development in Gharbia secondary schools, there are shortcoming as it appears not to be a priority list on the agenda in the Ministry of Education in Gharbia. The MOE only organize a training when the need arises, within a few days with less impact on teachers. As a result, teachers are left to plan for their own TPD. Society expects the teachers to carry out the role of developing their learners in terms of the physical, intellectual, social and moral well-being as parts of teacher's obligations in a teaching career. This implies that teachers require adequate professional training for all around developing in the teaching profession. Recently, teachers in Gharbia Government secondary schools have not conceptualized professional development in its varied nature and very few of these teachers have been motivated to attend professional development accomplishments excluding promotion from one level to a new level. The

question basically to determine the total quality management on teacher professional development in secondary school administration, teaching and learning in Gharbia Governorate. Besides, most studies on total quality management and teacher professional development are limited in the literature concerning Gharbia Governorate secondary school and this present study will fill the gap in determining the level of total quality management on teacher professional development in Egypt and Gharbia Governorate in particular.

1.1. Research Objectives

The main research objective of this study is to determine the total quality management on teacher professional development in secondary schools in Gharbia Governorate in Egypt. In the context, the specific objectives are:

1. To identify the level of total quality management and teacher professional development in Gharbia Governorate in Egypt.
2. To determine gender and experiences differences in total quality management and teacher
3. To examine the relationship among Create Constancy of Purpose for Improvement, Adopt the New Philosophy, Improve Constantly, Institute Training on The Job, Institute leadership, Drive out Fear toward total quality management.

1.2. Research Questions

These are the research questions for the study:

1. Is there any level of total quality management and teacher professional development in Gharbia Governorate?
2. Is there gender and experiences differences in total quality management and teacher professional development?
3. Is there a relationship among Create Constancy of Purpose for Improvement, Adopt the New Philosophy, Improve Constantly, Institute Training on The Job, Institute leadership, Drive out Fear toward total quality management?

1.3. Research Hypotheses

The following research hypotheses guided the study.

H₀₁. There is no significant difference between genders on teacher professional development in secondary schools in Gharbia Governorate in Egypt.

H₀₂. There is no significant difference between experience on teacher professional development in secondary schools in Gharbia Governorate in Egypt.

H₀₃. There is no relationship between Create Constancy of Purpose for Improvement and teacher professional development in Gharbia Governorate in Egypt.

H₀₄. There is no relationship between Adopt the New Philosophy and teacher professional development in Gharbia Governorate in Egypt.

H₀₅. There is no relationship between Improve Constantly and teacher professional development in Gharbia Governorate in Egypt.

H₀₆. There is no relationship between Institute Training on The Job and teacher professional development in Gharbia Governorate in Egypt.

H₀₇. There is no relationship between Institute leadership and teacher professional development in Gharbia Governorate in Egypt.

H₀₈. There is no relationship between Drive out Fear and teacher professional development in Gharbia Governorate in Egypt.

1.4. Novelty

The study is intended to offer a significant contribution in the areas of filling research gap, contribution to the body of knowledge and assisting the Tanta state ministry of education in implementing total quality management for teacher professional development in the state. The findings of the study would also assist the educational stakeholders and policy makers in Egypt and specifically Gharbia Governorate. The findings would aid both the staff of the Ministry of education, principals, teachers, educational planners and the entire students.

Several studies were conducted on TQM and other issues like training, capacity building in different places such as Chanda et al (2015) focus on Analysis of TQM in Practices on Zambian secondary school a survey in Lusaka district. This study viewed on TQM in secondary schools in Lusaka Zambia. Lunenberg (2010), while this study focusses on TQM, applied to school which based on a conceptual framework for analyzing TQM in achieving a high standard in schools based on Edwing Deming advocacy. Meanwhile, the Redmond (2008); Toremén and Karakus (2007) they have focused on TQM in Primary school in Turkey which centered on primary teachers. Though, this study focuses on TQM on teacher professional development in secondary in Gharbia Governorate in Egypt. There were limited studies that focus on this direction. The essence of this study is to fill the gap that was not conducted by the previous researchers.

The findings will be useful to the Ministry of Education in particular in understanding the importance of total quality management and teacher professional development through training in secondary schools. This would assist them to revisit the policies on teacher training and development for yielding a positive result. However, the study will benefit principals and school management in designing teacher professional development (i.e. seminars, workshops and external training or study leave) for the betterment of education and attainment of mission and vision of secondary education in Tanta. It will also be useful to the schools' management in the areas of professionalism in total quality management in terms of service delivery in their respective schools, departments under their supervision. It would also aid the teachers in providing them with the literature on the effect of total quality management on teachers' professional development.

2. Methodology

2.1. Theoretical Framework

This study adopted the total quality management theory of Deming principles (1986) which greater management thinker in the quality field was extensively acknowledged in his study. He is of the idea that supports the method of continuous improvement of organization and individuals themselves, with regards to their relationships, products and service and processes. He believes in teamwork and continuous improvement. Deming's work and writing constituted a philosophy of management in the context of total quality management that focuses on quality and continuous improvement with much wider influence (Redmond, Curtis, Noone & Keenan, 2008).

In this current study six out of the fourteen key principles expounded by Deming and modified by Lockwood (1992). Because they were extremely connected to total quality management and teachers' professional development in secondary schools. These encompass 1. Adapt a new philosophy by management learning, 2. Institute training on the job, 3. Institute leadership, 4. Eliminate slogans, exhortations, and targets, 5. Institute a vigorous program of education and self-improvement and 6. Put everybody in the organization to work to accomplish the transformation top management commitment to action. The Deming approach of TQM support on a constancy of purpose to the realities of its environment. Consequently, The TQM framework was adopted by Deming approach is a new philosophy in

explaining customer satisfaction via constant development for the efficient and effective element of the organization and its processes (Sichinsambwe, Mwanza & Nawelwa, 2015).

As hinted by Bonstingl in 1992 said the most important to education quality is the four Pillars of Total Quality Management which is fit with the six principles. The four pillars Self-Evaluation, Continuous improvement, System of ongoing process and Leadership, Synergistic Relationships, and Improvement are four main pillars. Deming (1986) believes that inadequate quality of effective services emanates from difficulties in the process of production. To accomplish quality, one shall eradicate the needs for inspection by building quality into the product (or service) at the initial stage. Even 100 percent inspection does not assure quality. Quality comes from improving the process, not evaluating the output after the fact (Bonser, 1992).

In conclusion, there are some limited studies conducted on the TQM and its effect on professional development in teacher education in Egypt. The goal of this study is to fill the gap that was not been fulfill before and the study indicates that professional capacity building and professional development would ensure efficiency and enhance TQM. This study differs with the above because the bottom line of the study is to ascertain the TQM on teacher professional development in Gharbia Governorate secondary schools, this study is basically on secondary schools' teachers on professional capacity development. This study differs from the previous one.

2.2. Population

The purpose of the study was to investigate the relationship between total quality management and secondary teachers' professional development in Gharbia state in Egypt. Hence, the population of the study comprised of all teachers from secondary schools in Gharbia Governorate. According to the Ministry of Education in Tanta, there are 99 secondary schools and 2,262 teachers who were permanent staff in these secondary schools.

2.3. Sample and Sampling Technique

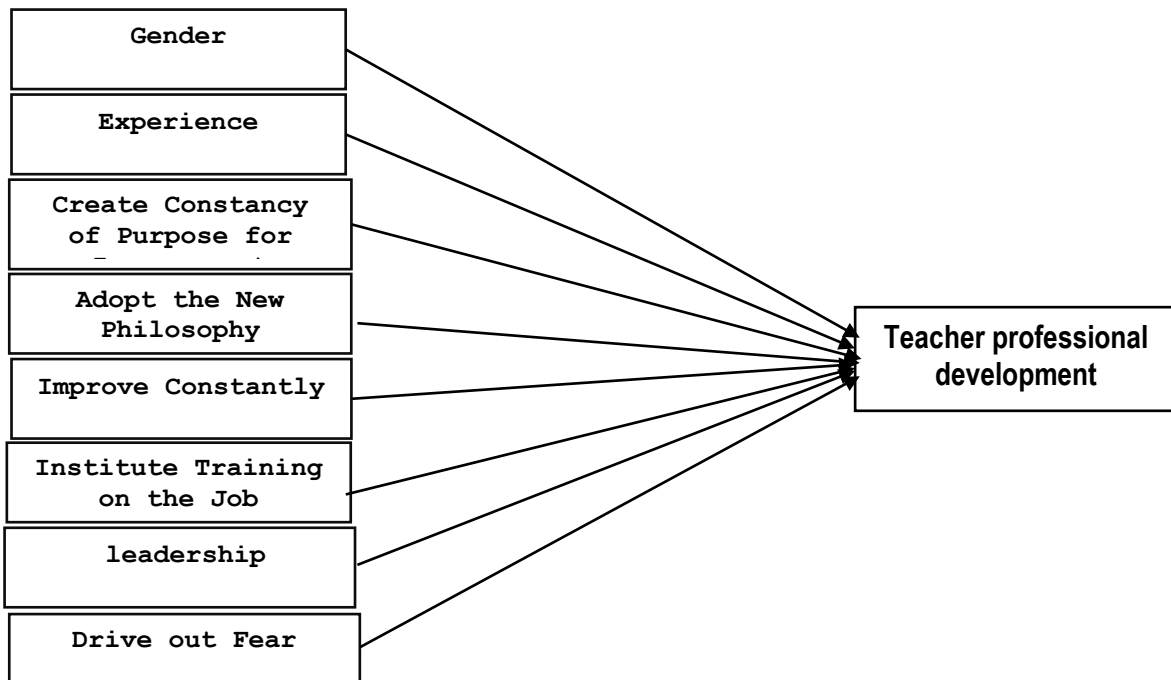
The sample of the study was based on Simple random sampling technique through randomization to guarantee the provision of balanced information. In this study, teachers will be selected from the population of the teachers. Since this research has a fewer sample. Simple random sampling technique will be used to select teachers 100 as a sample for the study.

2.4. Instrumentation

The survey questionnaire was designed in both the Arabic and English language the questionnaire was translated to the Arabic language using the back-to-back method in order to ensure that no changes in meaning happened. First, the questionnaire was written in English and then was translated into Arabic to be easier for the respondents to understand if the questionnaires were posed in the Arabic language and this would motivate them to respond to the survey. The study used Bonstingle (1992) Survey Instrument to collect the data on Total quality management in education regarding teachers' professional development of the secondary school. The essential of this instrument divided to 84 items made by Bonstingle's formulation of Demming's 14 points of Total Quality Management in Education. All the items belong to 14 points are to be evaluated by a five-point Likert scale ranging from (1) Strongly Disagree (2) Disagree (3) Moderate Agree (4) Agree (5) Strongly agree. In the current research, six from Deming fourteen points consisting of 28 items divided into six dimensions were taken because they were extremely connected to professional development (Mukhopadhyay, 2006). They were Create constancy of purpose, Adopt new philosophy, improve constantly, Institute training on the job, Institute leadership and Drive out fear. Consequently, every person will work efficiently and effectively for his or her institution.

2.5. Conceptual Framework

Based on the literature and theories, the researcher conceptualized the total quality management to have direct bearing with teacher professional development in secondary schools in Gharbia Governorate. The dimensions for total quality management on teacher professional development are Gender, Experience, Create Constancy of Purpose for Improvement, Adopt the New Philosophy, Improve Constantly, Institute Training on The Job, Institute leadership and Drive out Fear.



Source 1.1: *Developed by the Researcher, 2018.*

2.5.1. Definition of Terms

The following terms were defined in this thesis as follows:

2.5.2. Total Quality Management:

Total Quality Management (TQM) is a method to encourage the efficiency and dynamism of business in a general context. It is essentially a way of creating and engaging the whole organization; each department, every individual at every level and all activity. TQM is considered as an incorporation of several processes describing the behavioral dynamics of an organization (Lakhe and Mohanty, 1993). The TQM deals with the whole system that the entire process is carried out in attaining customers or beneficiary with competence and efficiency.

Total quality management in education is focused on the requirement of the school administrators, teachers to be effective in teaching and learning process. This would ensure effective and proficient teaching and learning process for yielding a positive outcome.

2.5.3. Teacher Professional Development:

Means teachers' learning, as to do with how the teacher acquired knowledge and how what they acquired is useful in supporting the learning of students. Teacher professional development is the process of training teachers in professional skills to meet up the challenges in their career. This is ongoing and integrating a constructivist approach, based in school and be entrenched in the teachers' work (Pimentel and McNeil, 2013). This encompasses

considering teachers as active learners (McLaughlin and Zarrow, 2001) who are involved in the actual tasks of teaching, observation, evaluation, and reflection (Villegas-Reimers 2003).

Teachers: Means a person with a certificate to teach in Secondary school. A teacher is a person who helps others to acquire knowledge, competences or values in either basic educational institution like a primary and secondary school or at the college level.

2.5.4. Secondary School:

Means a level of education above the primary school. This is the high school above and below-tertiary institutions that help the primary pupil to further their education before they enter into university or polytechnic and college of education.

2.5.5. Gharbia Governorate:

Means a state in the Republic of Egypt. It is the fifth largest city in Egypt that placed in the north of the country, north of Monufia Governorate, and south of Kafr El Sheikh Governorate. Its capital is Tanta. people residing in the governorate was 4,751.865

3. Findings

3.1.Introduction

This chapter revealed and report the findings of the study and analysis of instrument conducted. All data were analyzed using a statistical package of social science (SPSS version 22.0). The findings will be presented according to a statistical test that was made. Interpretations of the finding are distributing to two major parts. The first part described the descriptive statistics used for analyzing the demographic characteristics of the respondents which include analysis of frequency and percentages. The second part describes the result of inferential statistics used for hypothesis testing which include T-Test, ANOVA, and Pearson correlation.

3.2. Respondents profile

This section shows descriptive data that will give an overall description of the results. Findings discussed were gained from the instruments managed by the researcher. Elaborate analysis and testing of hypotheses will be an execution in the statistical analysis section. The current study included 75 secondary school teachers in Gharbia Governorate in Egypt. They were randomly chosen. This descriptive data highlighted and emphasize respondents' profile whence their gender and experiences to determine gender and experiences differences in total quality management and teacher professional development among secondary school teachers in Gharbia Governorate in Egypt.

3.2.1 Respondents' Distribution Based on Gender

According to table 1 research respondents comprised (N =33) male teachers (47.4 %) and (N =42) female teachers (52.6 %). This presented the frequency of female teachers were more than male teachers.

Table 1: Respondents' Distribution Based on Gender

Gender	Frequency	Percentage (%)
Male	33	47.4
Female	42	50.6
Total	75	100

3.2.2 Respondents' Distribution Based on working Experiences

As shown in the table below 32.9% (N=26) of the respondents had between 6-10 years of working experiences, 25% (N=18) of the respondents had between 1-5 years of working experiences. Also, 22.4 (N=16) of the respondents had between 11-15 years of working experiences and 19.7% (N=17) of the respondents had between 16-20 years of working experiences. The most of the respondents have had between 6-10 years in service.

Table 2: Respondents' Distribution Based on working Experiences

Experiences	Frequency	Percentage (%)
1-5	18	25
6-10	26	32.9
11-15	16	22.4
16-20	15	19.7
Total	75	100

3.3. Research Findings Based on Research Question and Research Hypotheses

As mentioned earlier, there were three research questions that established eight hypotheses in this current study. Therefore, this section displays the findings of hypotheses testing based on the relevant research question and research hypotheses.

Hypothesis 1:

Ho1. There is no significant difference between genders on teacher professional development in secondary schools in Gharbia Governorate in Egypt.

Hypothesis H1 was tested by using independent T-Test. In the current study, the mean difference and its significant level was set at $p < .05$.

Based on table 3 Levene's Test was not significant ($p > .05$). The result shows that there is equally assumed between male and female secondary school teachers on professional development. Therefore, Independent Samples T-Test was statistically not significant ($t(64) = -1.14, p > .05$). This result failed to reject the null hypothesis (H_0). There was no significant difference between male and female teachers in professional development. Both male and female secondary school teachers perceived their professional development as almost equal. This statistic confirmed that H_{01} is accepted.

Table 3: independent t-test between gender and Teacher professional development.

Gender	N	Mean	SD	Df	t	p
Male	32	3.94	.35	64	-1.14	.25
Female	34	4.04	.38			

Ho2. There is no significant difference between experiences of teacher professional development in secondary schools in Gharbia Governorate in Egypt.

Hypothesis H2 was tested using ANOVA. In the current study, the mean difference and its significant level was set at $p < .05$. In order to determine whether there is a significant difference in experiences on professional development based on qualification, one-way ANOVA is conducted.

Table 4: The Levene's test for homogeneity of variances.

Levene's Statistic	DF1	DF2	Sig
.192	3	62	.902

Table 5: the one-way ANOVA between Experiences and Teacher professional development.

Experiences	N	Mean	Sd	df1	df2	F	P
1-5	17	3.9	.39	3	62	.27	.843
6-10	23	4.05	.39				
11-15	14	4.0	.37				
16-20	12	4.0	.32				

Result in table 4, shows that there is equally assumed between experiences toward teachers' professional development. The one-way ANOVA was not significant $F(df1(3) df2(62)) = .27, p > .05$. Between experiences toward teachers' professional development. The result rejected the null hypothesis (H_0). In hence, there was no significant difference between

experiences and teachers' professional development. Finally, the post hoc test also was not significant among experiences group.

Hypotheses H₀₃ to H₀₈ was tested by using Pearson correlation coefficient. The correlation (r) among the variable will be tested at 0.05 coefficient level of significant.

H_{0 3}. There is no relationship between Create Constancy of Purpose for Improvement and teacher professional development in Gharbia Governorate in Egypt.

Based on table 5 the finding indicates that the personal correlation was a positively significant relationship between creating constancy of purpose for improvement toward teacher professional development. ($r = 0.60, p < 0.01$). High create constancy of purpose for improvement shows high teacher professional development. While low create constancy of purpose for improvement shows low teacher professional development. Hence, according to Wiersma and Jurs (1998), .50 to .70 is a moderate positive relationship between creating constancy of purpose for improvement toward teacher professional development.

Table 6. *The relationship between Create Constancy of Purpose for Improvement and Teacher Professional Development.*

Independent variable	Teacher professional development(TPD)
Create Constancy of Purpose for Improvement	.594**

HO4. There is no relationship between Adopt the New Philosophy and teacher professional development in Gharbia Governorate in Egypt.

Table 6 shows that there was a positive relationship between adopting the new philosophy, and teacher professional development. $r = 0.45, p < 0.01$. low adopt the new philosophy shows low teacher professional development. But, high adopt the new philosophy shows high teacher professional development. Therefore, according to Wiersma and Jurs (1998), .30 to .50 is a low positive relationship between adopting the new philosophy toward teacher professional development.

Table 7. *The relationship between Adopt the New Philosophy, and teacher professional development.*

Independent variable	Teacher professional development(TPD)
Adopt the New Philosophy	.454**

H₀₅. There is no relationship between Improve Constantly and teacher professional development in Gharbia Governorate in Egypt.

Table 8. *Relationship between Improve Constantly and teacher professional development.*

Independent variable	Teacher professional development(TPD)
Improve Constantly	.643**

According to table 8, the result implies that there was a positive relationship between improve constantly and teacher professional development. $r = 0.64, p < 0.01$. high improve constantly shows high teacher professional development. While low improve constantly shows low teacher professional development. Therefore, according to Wiersma and Jurs (1998), .50 to .70 is a moderate positive relationship between improve constantly toward teacher professional development.

H₀₆. There is no relationship between Institute Training on The Job and teacher professional development in Gharbia Governorate in Egypt.

Table 9. *The relationship between Institute Training on The Job and teacher professional development.*

Independent variable	Teacher professional development(TPD)
Institute Training	.821**

From table 9, it shows that there was a positive relationship between institute training and teacher professional development. $r = 0.82$, $p < 0.01$. high institute training shows high teacher professional development. While low institute training shows low teacher professional development. Thus, based on Wiersma and Jurs (1998), .70 to.90 is a high positive relationship between institute training toward teacher professional development.

H₀₇. There is no relationship between Institute leadership and teacher professional development in Gharbia Governorate in Egypt.

Table 10. *Relationship between Institute leadership and teacher professional development.*

Independent variable	Teacher professional development(TPD)
<i>Institute leadership</i>	.681**

Table 10 displays that there was a positive relationship between institute leadership and teacher professional development. $r = 0.68$, $p < 0.01$. Low institute leadership shows low teacher professional development. While high institute leadership shows high teacher professional development. Hence, based on Wiersma and Jurs (1998), .50 to.70 is a moderate positive relationship between institute leadership toward teacher professional development.

H₀₈. There is no relationship between Drive out Fear and teacher professional development in Gharbia Governorate in Egypt.

Table 11. *Relationship between Drive out Fear and teacher professional development.*

Independent variable	Teacher professional development(TPD)
Drive out Fear	.742**

Based on table 11 there was a positive relationship between drive out fear and teacher professional development. $r = 0.74$, $p < 0.01$. high drive out fear shows high teacher professional development. While low drive out fear shows low teacher professional development. Therefore, according to Wiersma and Jurs (1998), .70 to.90 is a high positive relationship between drive out fear toward teacher professional development.

The finding implied that the first dimension of the independent variables of the current study used for the analysis supported no significant difference between male and female toward teachers' professional development.in the same time, the second dimension of this study supported no significant difference among teaching experiences toward teacher professional development.in additional, from the third dimension to the eighth dimension has had positively related to teacher professional development. This finding supported that total quality management is tremendously for improve secondary school teachers' professional development in Gharbia Governorate in Egypt.

3.4. Dissection of Finding Based on Research Question.

The discussion in this chapter examined the three research questions of the current study. Based on the result of the hypothesis and finding. Also, the findings were compared with similar researches in the literature reviewed.

3.4.1 Gender on teachers' professional development.

There was no difference between male and female teachers in professional development. This study concurred with the finding of Mohamed (2017) which mentioned that found there was no significant difference between male and female on teacher professional development

in Gaza. While Elham (2007) pointed to her study in Jordan on the Effect of TQM in Teacher Professional Development Programs. The study found that there are significant differences on the effect of TQM on gender in planning and practice for women teachers in secondary schools in Jordan.

3.4.2. Experience on teachers' professional development.

This research finding indicated that there was no difference between experiences and teachers' professional development. Similarly, Mohamed (2017) his study found there are no statistically significant differences at the level of significance between the mean scores of the sample members to the degree of effectiveness of the program and the extent of practicing the skill of time management attributed to a variable (years of service). Conversely, Awad (2003) found the need to reconstitutes the experiences of secondary school teachers and promote their position in educational and psychological fields. It emphasized to increase their knowledge of the subjects and the development of their skills in teaching process through science and technology. In the same time, Imad (2017) found There were significant differences for all the areas of the School-Based Teacher's Continuous Professional Development Programme in improving the teachers' practices in the classroom attributed to the variable of experience in favour of experience (more than ten years) when was compared with the experience (less than five years).

3.4.3. Create Constancy of Purpose for Improvement.

There was a moderate positive relationship between creating constancy of purpose for improvement toward teachers' professional development. The result supported with Gebhardt, Schwab, Krammer, and Gegenfurtner (2015) prescribed that all teachers were satisfied in their group-work; differences between conventional and special education teachers were non-significant. Elementary teachers had more positive views than secondary school teachers. The study shows the practical relevance for teacher education in classroom settings. Similarly, Davis, Clevenger, Posnock, Robertson, and Ander (2015) Their discovered Post-session scores on between proficient group learning, aptitudes and dispositions were fundamentally higher and a facilitator improvement course and investment in the showing occasion positively affected apparent information, abilities and states of mind toward between proficient cooperation. Also, Nawelwa, Sichinsambwe, and Mwanza (2015) their study showed the role of teamwork to attain the goals of the institutions. The teachers working together as a team in secondary schools in Zambia is the best strategy to coordinate work and promote quality management in these schools. Indeed, the group work is considered the way out than individual services, most of the teachers believed that teamwork would ensure efficiency and effectiveness in schools.

3.4.4. Adopt the New Philosophy of TQM.

The result indicated that there was a low positive relationship between adopt the new philosophy and teachers' professional development. This study is in not support of past research by Aggarwal (2016) which show that the relevance of TQM in teacher education. He pointed that provision of good infrastructural facilities in education (classrooms, library, laboratories, and instructional materials to learners) and effective teaching and learning process are the vital instrument on enhancing quality in education. Likewise, Thokozile and Magwaza (2007) The outcomes of the study showed that educators with a positive view of TQM principles were more likely to apply them in their teaching situations, knowing that the student is the significant to the client who needs to gain acceptable knowledge within the context of learning.

3.4.5. Improve Constantly.

Based on the finding of this research the result implied that There was a moderate positive relationship between improve constantly and teachers' professional development. The finding support with (Bany et al,2015) they found showed that the degree of implementation of continuous improvement is averaged and that the Jordanian universities

that applied for a certificate of quality assurance standards are used to ensure quality issued by the Higher Education Accreditation of Jordan as the main method. And that the main drivers of continuous improvement are: to improve departmental image or prestige, to improve product or service quality, and to become more competitive. But this finding is opposed the finding of Nawelwa, Sichinsambwe, and Mwanza, (2015) The study found that provision of instructional materials and counseling strategies to the pupils does not improve the educational performance as well as inadequate of instructional materials would also deter some schools to achieve their basic objectives.

3.4.6. Institute Training on the Job.

This result shows that there was a high positive relationship between institute training and teachers' professional development. The finding consistent with Hardman, Frank, Jan Hardman, Hillary Dachi, Louise Elliott, Noel Ihebuzor, Maniza - Ntekim and Audax Tibuhinda (2015) They found that teachers who had participated in the school-based training showed significant differences in their pedagogical practices and demonstrated a positive attitude towards their training and their pupils, and saw teaching and learning as an interactive, communicative process. Also Omoogun and Omoogun, (2013) in the line with the current. They found that teachers prefer workshop as a model of professional development to enable them to implement EE curriculum. Also, conformed to Popham (2010) his found that training must be adequately offered in the use of new valuation strategies and provision for the continuous professional development programs for all school administrators, teachers, and axillary staff would aid the school in meeting its objectives. Similarly, with Reda (2006) his study indicated that the school training program unit (STU) should be put in place in the schools towards boosting the professional development and enhancing total quality management in the school. The teachers need should be identified and teachers really participate in choosing trainers and subjects.

3.4.7. Institute leadership

With correlation analysis conducted in the current study. The result revealed that There was a moderate positive relationship between institute leadership and teachers' professional development. The study concurs with Alan, Mohamed and Hasan (2012) they study disclosed that the role of public secondary school principals was high in all fields of study. It reveals that there is no significant differences in gender, years of experience and school location. While there is significant dichotomy due to specialization and academic qualification and experience. Though, the absence of material and moral incentives is the threat to professional teacher's development in Ghaza, which requires funding and provision of instructional materials for their professional development. Similarly, with Elham (2014) her study found that there was high positively degree of the principal's practice as a resident supervisor for his role in the professional development. Also, in the line with Bredeson (2000), he found the principals of the schools concurred that the success of school development is hinged on teacher professional development. Furthermore, the study conformed with Amal (2004) her study found there was a positive relationship between principals' leadership and teachers professional development.

3.4.8. Drive out Fear.

Based on the finding of this research the result indicated that There was a high positive relationship between drive out fear and teachers' professional development. The finding support with Deming (1986) suggested that If the aim in education is to promote academic freedom, to create an appropriate working environment and advancing productivity, management initiatives that address concerns in the workplace and the potential consequences employees may face from talking about these concerns is a positive step for everyone to work effectively to achieve organizational goals. On the other hand, the current study on contrary with Pfeffer and Sutton (2000) emphasizes that the fear brings about an attention on the short

run driving out the attention of the long run. Furthermore, the fear creates a focus on the person rather than in a punitive culture.

4. Conclusion

This study was an effort to examine the difference between gender and experience among secondary school teacher on teacher professional development in Al Gharbia in Egypt and this study found no difference between male and female toward teacher professional development. In the same time, no experience difference on teacher professional development. Which means that all teachers have the same interest in professional development to improve their self-efficacy. In addition, this study aimed to determine the relationship between the six dimensions of total quality management on teacher professional development in Al Gharbia in Egypt and the current study implies that had positively related to teachers' professional development.

Total Quality Management in education has a significant role towards enhancing the standard of education in providing skilled and professional teachers. In the same time, teachers' professional development is one of the fundamental factors determining an institution success in meeting the student, parents, community, and stakeholder. Finally, the teacher must be prepared for high professional level for this critical stage of education.

4.1. Recommendations

From the result of the study, the researcher found there was no difference in terms of gender and years of teaching experience. In additional, the relationship among Create Constancy of Purpose for Improvement, Adopt the New Philosophy, Improve Constantly, Institute Training on the Job, Institute leadership and Drive out Fear had positively related each other, the researcher tried to proposition the following basic recommendation. First, continuing and supporting training programs in secondary schools which aimed to help teachers improve their competencies and abilities in order to improve their performance and practices within the classroom.

Second, make a study that is similar to the current study in other stages of the study, such as primary and middle schools in Egypt. Furthermore, conduct similar studies for this study to measure other variables like age, educational qualification, and material status.

Third, encourage teachers of the secondary school to attend a training course and learn recent research and educational studies by providing financial and moral incentives. On the other hand, seminars could be held for high school teachers in order to improve their attitudes and perspectives towards professional development.

Fourth, continuous training for leadership and staff of the school, that is because the professional development is an effective tool for building a clear understanding and creative expertise that helps in doing perform more effectively.

Fifth, creating a satisfactory social relationship between faculty and school leadership away from tyranny, authoritarianism, and dictatorship. In additional, Selecting the school leadership of the qualifications and experiences of high efficiency under specific conditions. Also, school leadership should respect teachers point of view while making discussion, decision-making also, should be done in a participant with all staff, emphasize the importance of holding courses to discussing the modern teaching methods.

Finally, develop regulations for the promotion of teachers on the basis of achievement, creativity, experience, and liberality in the profession.

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THE LINK BETWEEN SMALL AND MEDIUM ENTERPRISES DEATH RATE, UNEMPLOYMENT AND GROSS DOMESTIC PRODUCT: EVIDENCE FROM VISEGRAD COUNTRIES

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Abstract

This study examines the link between SMEs death rate, unemployment rate and gross domestic product per capita (GDP) in the Czech Republic, Hungary, Poland and Slovakia. Authors used a panel dataset covering 2008 – 2013 collected from OECD and Eurostat database. Descriptive statistics and Pearson correlation techniques were used to analyse the data. The result for the Visegrad group, indicate a significant positive relationship between SMEs death rate and unemployment rate. On the other hand, the results show an insignificant negative association between SMEs death rate and GDP per capita in the Visegrad Group. Authors, therefore, conclude that government of the Visegrad countries should continue to provide an enabling investment environment by addressing potential market failures and creating equal opportunities that will encourage SMEs to thrive, reduce the rate of unemployment, and enhance GDP per capita of the Visegrad countries.

Keywords: SMEs; unemployment; GDP per capita; Visegrad countries

JEL classification: M31, L10

1 Introduction

The role of small and medium enterprises (SMEs) in national economies cannot be overemphasised. SMEs contribute to the economic growth of both developed and developing countries. Previous studies show that SMEs drives economic growth of many countries through their value-creating activities (Yusuf & Dansu, 2013; Walczak and Voss, 2013). Nieman *et al.* (2003) posit that SMEs create jobs, reduce poverty and increase the growth domestic product (GDP) in most developed and developing economies. Schröder and Rodermund (2006) suggest that wealth and growth of economies depend on SMEs, and Osakwe et al. (2015) argue that SMEs are driving force of global entrepreneurial development. SMEs account for over 90% and 60% of the share of total number businesses and employment in advanced economies, (OECD, 2013). There is a connection between unemployment rate, economic growth, and the growth of entrepreneurship (Thurik *et al.*, 2008; Plehn-Dujowich and Grove, 2012). Some other studies suggest a negative relationship between unemployment and business growth (Fritsch and Mueller, 2004; Bekeris, 2012). Many studies on the factors contributing and hindering the growth of SMEs across the globe; financial needs (OECD, 2013; Ardic et al., 2012), household and government spending (Muller *et al.*, 2014), government administrative bottlenecks, lending interest rate, innovation and competitiveness (OECD, 2010; Tabas et al., 2012). Very few studies have examined the relationship between in SMEs death rate and macroeconomic indicators. A death is the dissolution of a combination of production factors which is not due to mergers, take-overs, break-ups or restructuring of a set of enterprises (Eurostat, 2016). Only enterprise not reactivated within two years are included in the list of deaths enterprise. Literature shows that lack of managerial competencies Olawale (2010), lack of SMEs networking and collaboration Broughton (2011), lack of training and development Hunt (2008), and lack of employee

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motivation Williams (2012) are some of the internal factors that contribute to the death of SMEs. The role of SMEs in the Visegrad countries could be linked to a long history of economic growth and development since the 21st century. According to Hahn (2014), the V4 countries if considered as a single nation state is the 5th largest economy in Europe and 12th largest in the world. The Visegrad countries have a high income, very high human index and experienced steady economic growth over the years (Broadberry and Klein, 2011). Despite the importance of SMEs, their growth and development in these countries appear to be below expectations. While a lot of past studies have investigated SMEs growth and macroeconomic variables, no study, to the knowledge of the authors have explored the relationship between SMEs death rate, unemployment rate, and GDP in these countries. Given that the interest in the study of SMEs is globally recognized, thus, this study attempt to fill the gap in the literature by exploring the link between SMEs death rate, unemployment rate and GDP in the Czech Republic, Hungary, Poland and Slovakia. Secondly, compare the relationship between SMEs death rate, unemployment rate and GDP per capita in the four countries.

2. Literature Review

Previous studies on the causal relationship between economic growth and entrepreneurship performance in different countries (Mukorera and Mahadea, 2014; Van Stel *et al.*, 2010; Moghimi and Ahmadpour Dariani, 2008). Ahmad *et al.* (2012) examined the factors affecting SMEs in Pakistan using a sample of 170 SMEs. The result shows that access to finance, lack of political stability, public and private partnership, lack of motivation, Lack of management, lack of training and education, stress, bureaucracy, access to public infrastructure, and inflation are positively associated with the growth of small and medium-sized enterprises. Ahmad (2012) examine the main challenges to the growth of SMEs in the Kingdom of Saudi Arabia. The results indicate that bureaucratic bottlenecks, the difficulties in accessing finance, and unfriendly business environment, are the major constraints to SMEs performance in the country. In a study conducted on SMEs growth in the Czech Republic by Osakwe *et al.* (2015), suggest that a concave relationship between unemployment and SMEs growth in the Czech Republic exist. Farrokh *et al.* (2016) investigated the factors influencing the growth of small and medium-sized businesses using a comparative approach. The result indicates that structural, behavioural and contextual factors influence SMEs growth. Hart and Hanvey (1995) suggest that SMEs are major drivers of employment creation, they also pointed out that most job losses also came from SMEs. Similarly, Jasra *et al.* (2011) find a significant positive relationship between SMEs performance and entrepreneurs' skills, money supply, and business plan in Pakistan. Mukorera and Mahadea (2014) analyze the structural connection between micro and small-scale enterprises (MSEs) growth and selected macroeconomic indicators in Zimbabwe. Using a Vector Error Correction Model (VECM), the finding shows that unemployment, real GDP, money supply and inflation have an impact on MSEs growth in the country. Plehn-Dujowich and Grove (2012) study suggest that unemployment rate, economic growth, and the growth of entrepreneurship are interrelated. Their findings suggest that unemployment rate causes entrepreneurship to grow. On the other hand, entrepreneurship influence economic growth and vice versa. Thurik *et al.* (2008) suggest that enterprises, economic growth, and unemployment are related. Thurik (1999) posits that there is an inverse relationship between enterprise growth and rate of unemployment. Evans and Leighton (1990) noted that there is a positive relationship between unemployment and the growth of new enterprises, whereas Fritsch and Mueller (2004) and Bekeris (2012) find a negative relationship between unemployment and business growth. In the Czech Republic. Mateev and Anastasov (2010) asserts that firm-specific characteristics such as current liquidity, internally generated funds, leverage, factors of production, future growth opportunities are important drivers of firm growth and performance. Studies have

proved that SMEs record high mortality rate and failure in achieving set goals arising from their incapacitation in the implementation of strategies (Akpan, 2007). Empirical research on the relationship between SMEs death rate and some critical macroeconomic indicators such as rate of unemployment and the GDP appears to be very few.

Definition of Small and Medium Enterprises (SMEs)

According to the World Bank (2013), SMEs are defined based on the size of the enterprise in terms of the total number of workers and/ or total assets. SMEs and large firms can be differentiated based on the aforementioned criteria. However, the definition of SMEs can be viewed from different perspectives, depending on the organization or country. Tab. 1 shows the current definition of SMEs, which was proposed by the European Commission (2005), adopted by the European Union Member States (Visegrad countries included) and entered into force in 2005. Micro enterprises are enterprises that employ less than ten employees and whose annual turnover does not exceed 2 million euros. Small businesses are enterprises that employ less than 50 employees and whose annual turnover does not exceed 10 million euros. Medium sized are enterprises that employ less than 250 employees and whose annual turnover does not exceed 50 million euros or whose annual total balance sheet does not exceed 43 million euros.

Table 1: Definition of SMEs by the European Commission

Enterprise size	Employees	Annual turnover	Annual balance sheet total
Large ≥ 250	≥ 50	$\geq \text{€}50$ million	$\geq \text{€}43$ million
Medium-sized < 250	≤ 50	$\leq \text{€}50$ million (in 1996 $\text{€}40$ million)	$\leq \text{€}43$ million (in 1996 $\text{€}27$ million)
Small < 50	≤ 10	$\leq \text{€}10$ million (in 1996 $\text{€}7$ million)	$\text{€}10$ million (in 1996 $\text{€}5$ million)
Micro < 10	≤ 10	$\leq \text{€}2$ million (previously not defined)	$\leq \text{€}2$ million (previously not defined)

Source: European Commission

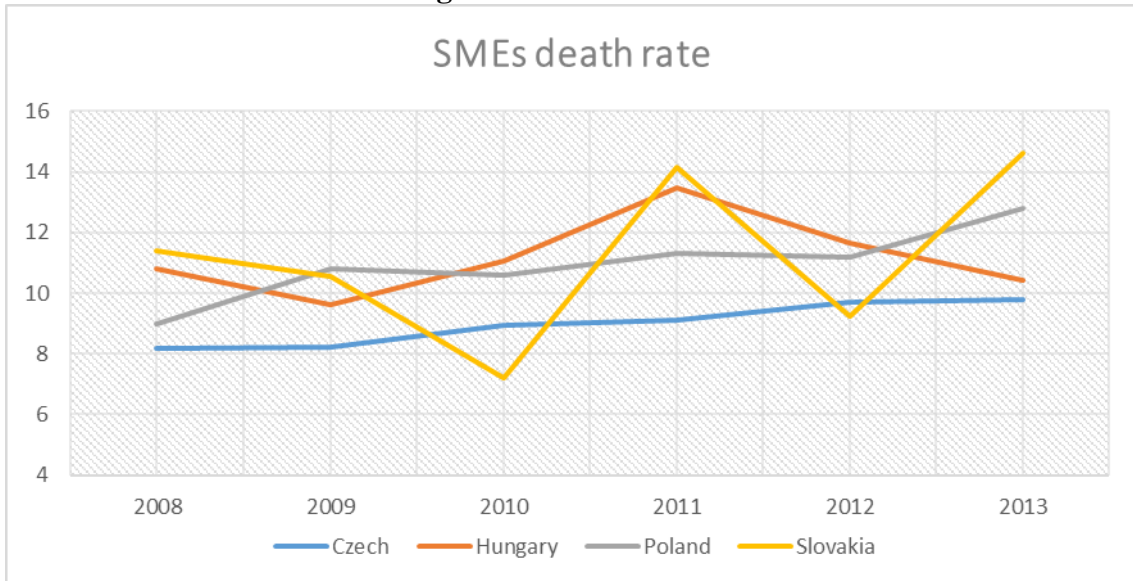
3. Materials and Methods

For the purpose of this study, SMEs in the V4 countries were selected because the Visegrad countries have high income and have a very high human development index. More importantly, is the availability of data and the steady economic growth experience by the V4 countries.

3.1 Data

A panel dataset covering 6 year period from (2008 – 2013) for Czech Republic, Hungary, Poland, and Slovakia were used for empirical analysis. Data for unemployment and the GDP per capita were collected from OECD database. The data for SMEs death rate were collected from Eurostat database. Statistical data available from the EuroStat (2016) as shown in Fig. 1, the SMEs death rate in the Czech Republic has steadily increased from 8.2% in 2008 to 9.71% in 2013. In Hungary, the death rate of SMEs was 10.81% in 2008, decline to 9.64% in 2009, 2010, 2011 experience a sharp increase of 11.08% and 13.49%, in 2013 SMEs death rate decline to 10.44%. the SMEs death rate in Poland has steadily increased from 9% in 2008 to 12.79% in 2013. In the case of Slovakia, SMEs death rate decline from 11.38% in 2008 to 10.57% and 7.19% respectively in 2009 and 2010. In 2011 there was sharp rise to 14.17%, follow by a decline to 9.25% in 2012 and a sharp rise to 14.2% in 2013.

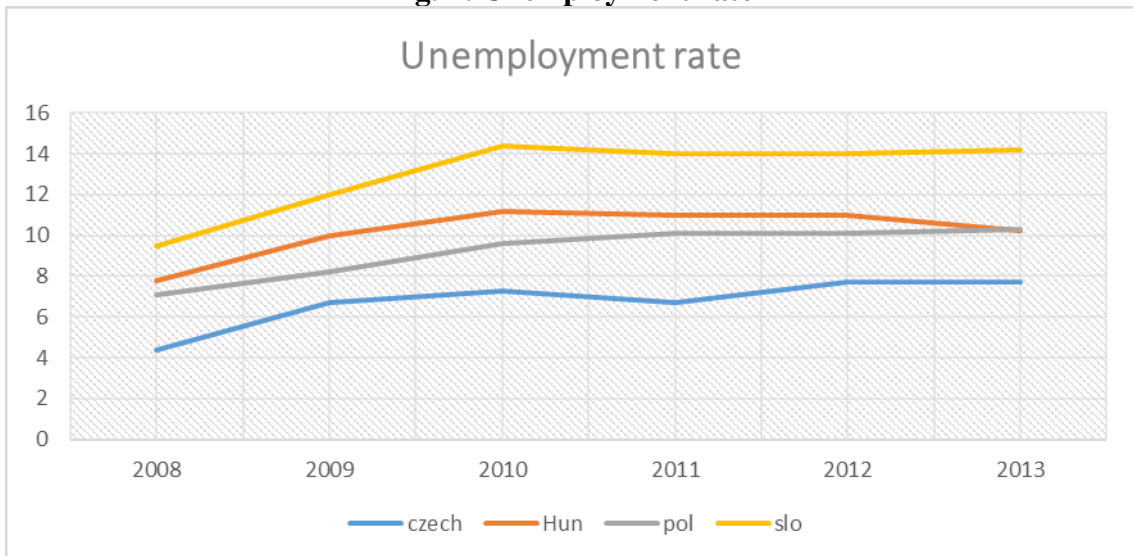
Fig. 1: SMEs death rate



Source: Eurostat 2016 (<http://appsso.eurostat.ec.europa.eu>) elaborated by the authors

Statistical data available from the OECD (2016) as shown in Fig. 2, the unemployment rate in the Czech Republic has steadily increased from 4.4% in 2008 to 7.3% in 2010. In 2011, it declines to 6.7%, in 2012 and 2013 it was constant at 7%. In Hungary, the unemployment rate has steadily increased from 7.8% in 2008 to 11.2% in 2010, the rate of unemployment was constant at 11% in 2011, 2012, and declines to 10.2% in 2013. The unemployment rate in Poland has steadily risen from 7.1% in 2008 to 10.3% in 2013. In the case of Slovakia, the unemployment rate steadily rises from 9.5% in 2008 to 14.4% in 2010, decline to 13.6% in 2011, increase to 14% in 2012 and 14.2% in 2013.

Fig. 2: Unemployment rate

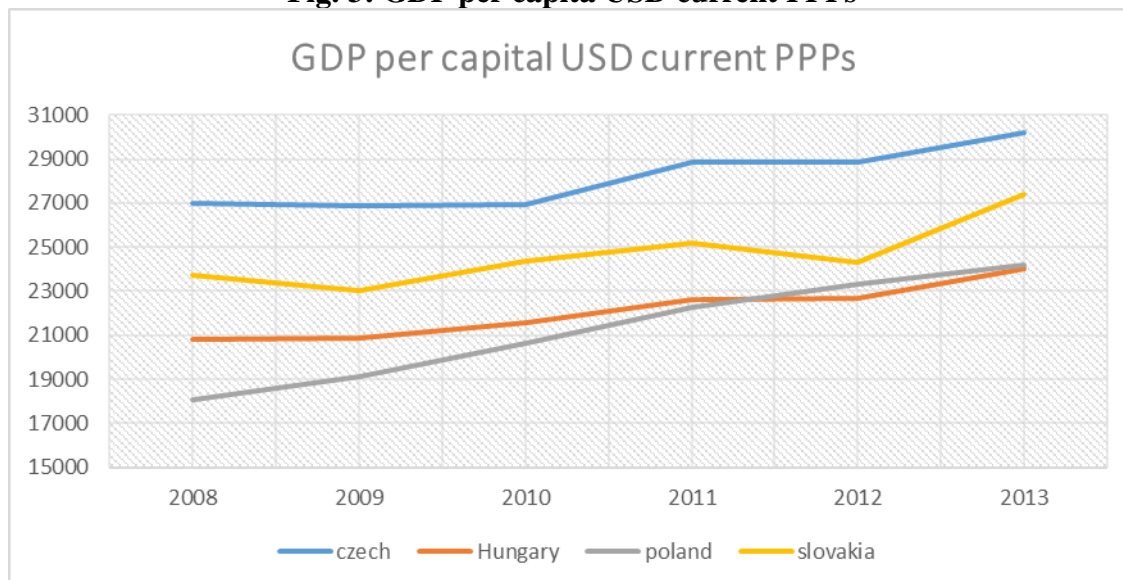


Source: OECD data 2016 (data.oecd.org) elaborated by the authors

Statistical data available from the OECD (2016) as shown in Fig. 3, the GDP per capita for the Czech Republic has steadily increased from \$26,994 in 2008 to \$30,209 in 2013. In Hungary, the GDP per capita has steadily increased from \$20,811 in 2008 to \$24,037 in 2013. The GDP per capita for Poland has steadily increased from \$18,051 in 2008 to \$24,200 in

2013. In the case of Slovakia, the GDP per capita steadily rises from \$23,728 in 2008 to \$27,416 in 2013. From the data, the Visegrad countries experience GDP per capita growth over the years (2008-2013). However, the Czech Republic appears to be the best performer among the countries on the selected macroeconomic indicators.

Fig. 3: GDP per capita USD current PPPs



Source: OECD data 2016 (data.oecd.org) elaborated by the authors

The main variables used are SMEs death rate, unemployment, and the GDP per capita. GDP per capita, which is taken from OECD National Accounts and measured in millions of US dollars at constant prices of 2000, using Purchasing Power Parity (PPP) of the same year (GDP). The unemployment variable measures the number of people without work but available for and seeking employment. SMEs death rate occurs when the firm windup or closes down its operations. The SMEs death rate is measured by the number of enterprise deaths in the reference period (t) divided by the number of enterprises active in the same period.

3.2 Statistical analysis

Both descriptive and Pearson correlation analysis were used in this study. Correlation matrix could reveal the strength of association and relationship between the variables. Authors used SPSS 24 statistical software for different analyses conducted.

3.3 Hypotheses

Below are formulated hypotheses for this study:

H1: unemployment rate is positively associated with SMEs death rate in the Visegrad countries

H2: GDP per capita is positively associated with SMEs death rate in the Visegrad countries

4. Results

4.1 Descriptive Statistics

Tab. 2 shows the overall mean and standard deviation of the four countries. On the average, SMEs death rate and the unemployment rate over the entire period from 2008 to 2013 among the Visegrad countries is 10.56% and 9.70% respectively. While the mean of GDP per capita is \$24106.25. The standard deviation of SMEs death rate is 1.824, the unemployment rate is 2.694 while GDP per capita is 3175.787. Tab. 3 presents the mean and standard deviation of the individual countries. In the Czech Republic, on average SMEs death rate is 9%, while the unemployment rate is 6.52% and GDP per capita is \$28098.8333 over

the entire period from 2008 to 2013. The standard deviation of SMEs death rate is .69570, the unemployment rate is 1,06097 while GDP per capita is 1368.74533. In Poland, on average SMEs death rate is 10.95%, while the unemployment rate is 9.15% and GDP per capita is \$21262.6667 over the entire period from 2008 to 2013. The standard deviation of SMEs death rate is 1.22923, unemployment rate is 1.24378 while GDP per capita is 2409.3333. In Slovakia, on average SMEs death rate is 11.15%, while the unemployment rate is 12.95% and GDP per capita is \$24965.1667 over the entire period from 2008 to 2013. The standard deviation of SMEs death rate is 2.75663, the unemployment rate is 1.89710 while GDP per capita is 1610.23805. In Hungary, on average SMEs death rate is 11.16%, while the unemployment rate is 10.20% and GDP per capita is \$22098.3333 over the entire period from 2008 to 2013. The standard deviation for SMEs death rate is 1.32765, unemployment rate is 1.27122 and GDP per capita is 1251.90521

Table: 2 Descriptive Statistics for the four countries

	Mean	Std. Deviation	N
SME_Death_Rate	10.56	1,824	24
GDP	24106.25	3175.787	24
Unemployment	9.70	2.694	24

Source: authors 2017

Table: 3 Descriptive Statistics for individual countries

Country		Mean	Std. Deviation	N
Czech Republic	SME_Death_Rate	9.0000	.69570	6
	GDP	28098.8333	1368.74533	6
	Unemployment	6.5167	1.06097	6
Poland	SME_Death_Rate	10.9500	1.22923	6
	GDP	21262.6667	2409.3333	6
	Unemployment	9.1500	1.24378	6
Slovakia	SME_Death_Rate	11.1500	2.75663	6
	GDP	24965.1667	1610.23805	6
	Unemployment	12.9500	1.89710	6
Hungary	SME_Death_Rate	11.1667	1.32765	6
	GDP	22098.3333	1251.90521	6
	Unemployment	10.2000	1.27122	6

Source: authors 2017

Correlation Matrix

Correlation matrix for the four countries is presented in Tab. 4 to measure the degree of association between the variables. Correlation between SMEs death rate an independent variable and GDP per capita is -.146 which means a weak negative relationship exist between the variables. This indicates that the two variable moves in opposite direction, an increase in SMEs death rate may lead to a decrease in the GDP per capita. The relationship between SMEs death rate and GDP per capita is not statistically significant because the p-value of .496 is greater than the significance level of 0.05, there is inconclusive evidence about the significance of the association between the variables. This result negates the findings of (Mukorera and Mahadea, 2014; Osakwe et al., 2015). On the other hand, the result shows that the correlation between SMEs death rate and unemployment rate is .458 which means a moderate positive association exists between the variables. This suggests that the two variables move in the same direction, which means that an increase in the SMEs death rate may lead to an increase in unemployment

rate. The relationship is statistically significant because the p-value of .025 is less than the significance level of 0.05. This result is in consonance with the findings of (Evans and Leighton, 1990; Osakwe et al., 2015; Plehn-Dujowich and Grove, 2012). From these results, the authors conclude that the first hypothesis, unemployment rate is positively associated with SMEs death rate in the Visegrad countries is supported, whereas the second hypothesis GDP per capita is positively associated with SMEs death rate in the Visegrad countries is not supported. Correlation matrix for the individual countries is presented in Tab. 5 to measure the degree of association between the variables. In the Czech Republic, the correlation between SMEs death rate and GDP per capita is .868, which means a strong positive association exists between the variables. The relationship between SMEs death rate and GDP per capita is statistically significant because the p-value of .024 is less than the significance level of 0.05. The correlation between SMEs death rate and unemployment rate is .620 which means a strong positive association exists between the variables. This suggests that the two variables move in the same direction, which means that an increase in the SMEs death rate may lead to an increase in unemployment rate. The relationship is not statistically significant because the p-value of .188 is greater than the significance level of 0.05, there is inconclusive evidence about the significance of the association between the variables. In Poland, the result shows a strong positive association between SMEs death rate, GDP per capita (.884), and unemployment rate (.851). The p-values for the correlation between SMEs death rate and GDP per capita (.019) and between SMEs death rate and Unemployment (.031) are both less than the significance level of 0.05, which indicates that the correlation coefficients are significant. In Slovakia, the correlation between SMEs death rate and GDP per capita is .415 which means a weak positive relationship exist between the variables. The correlation between SMEs death rate and unemployment rate is -.085 which means a weak negative relationship exist between the variables. The p-values for the correlation between SMEs death rate and GDP per capita (.413) and between SMEs death rate and Unemployment (.873) are both greater than the significance level of 0.05, which indicates that the correlation coefficients are not statistically significant. In Hungary, the correlation between SMEs death rate and GDP per capita (.289) and SMEs death rate and Unemployment (.396) both indicates a positive weak association between the variables. Similarly, the relationship is not statistically significant because the p-values for the correlation between SMEs death rate and GDP per capita (.579) and between SMEs death rate and Unemployment (.437) are both greater than the significance level of 0.05, there is inconclusive evidence about the significance of the association between the variables.

Table: 4 Correlations for the four countries

		SME_Death_Rate	GDP	Unemployment
SME_Death_Rate	Pearson Correlation	1	-.146	.458*
	Sig. (2-tailed)		.496	.025
	N	24	24	24

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

Source: authors 2017

Table: 5 Correlations for the individual country

Country		SME_Death_Rate	GDP	Unemployment
Czech Republic	Pearson Correlation	1	.868*	.620
	Sig. (2-tailed)		.024	.188
	N	6	6	6
Poland	Pearson Correlation	1	.884*	.851*
	Sig. (2-tailed)		.019	.031
	N	6	6	6

Country		SME_Death_Rate	GDP	Unemployment
Slovakia	Pearson Correlation	1	.415	-.085
	Sig. (2-tailed)		.413	.873
	N	6	6	6
Hungary	Pearson Correlation	1	.289	.396
	Sig. (2-tailed)		.579	.437
	N	6	6	6

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

Source: authors 2017

5. Conclusions and Limitations

Small and medium enterprises (SMEs) contribute to the economic growth of both developed and developing countries. This study explores the link between SMEs death rate, GDP per capita and unemployment rate in the Czech Republic, Poland, Slovakia, and Hungary. We use mean, standard deviation and Pearson correlation to assess the variables. On average, 10.56% SMEs close their business and the average unemployment rate is 9.70% over the entire period from 2008 to 2013 among the Visegrad countries. For the Visegrad countries, our results indicate a significant positive relationship between SMEs death rate and unemployment rate. The result suggests that as more SMEs close their business, it may lead to more people losing their jobs in the Visegrad countries. However, our empirical results show an insignificant negative association between SMEs death rate and GDP per capita in the Visegrad Group. This indicates that as SMEs death rate increases it may lead to fall in the standard of living due to a fall in GDP per capita income in the Visegrad countries. We have also not completely ruled out the possibility of a spurious outcome given the limited time series of the study. Despite the limitation described above, the applicability of this study adds to the literature as it relates to the SMEs and entrepreneurship research from both theoretical and practical point of view. More importantly, further study should be done by adding other important macroeconomic variables such as taxation, interest rate spread, the inflation rate, and economic freedom indicators that were not included in our present study. These variables are likely to have an impact on SMEs death rate in the Visegrad countries. This study only demonstrates associations between the selected variables of interest, but not causality. Also, empirical studies can be done to investigate causal effect of SMEs death rate on unemployment. The government of the Visegrad countries should continue to provide an enabling investment environment by addressing potential market failures and creating equal opportunities that will encourage SMEs to thrive, reduce the rate of unemployment, and enhance GDP per capita of the Visegrad countries. This paper gives insight into the relationship between SMEs death rate, GDP per capita and unemployment rate in the Visegrad countries after the accession to European union in 2004. The knowledge of the relationship between SMEs death rate, GDP per capita and unemployment rate will enable managers and policymakers take decisions on how to manage these macroeconomic variables better.

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ENTREPRENEURIAL SUPPORT IN NIGERIA: A REVIEW PAPER

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Abstract

This study examined entrepreneurship in Nigeria using qualitative research approach. Historical data, past and present research findings were analysed and used in this study. To a large extent, Nigeria government have good policies and program design for entrepreneurial growth and development. The laudable program that the government design for entrepreneurs as well as small and medium scale business have not had a significant impact on the life of its citizenry. It was also gathered that this fund or skill designed for entrepreneurs was not only being offered by federal or state government alone, but individuals, companies or groups also have interest in fostering entrepreneurial activities in Nigeria. This study concluded that to have a robust economy like China, India, Indonesia, America, Germany and other developed nations, the country needs to have a strong entrepreneurial base.

Keywords: Entrepreneurship, entrepreneurial behaviour, agricultural loans, bank of agriculture of Nigeria

JEL Classification: M10, L10

Introduction

Entrepreneurs are people with vision and mission of creating, innovating, dominating and implementing new ideas to improve business performance. Entrepreneurial activities contribute to the continued existence and growth of business organizations (Nwachukwu et al., 2017). Oladele et al. (2015) posit that entrepreneurs manage the business risks in order to make profit. They add that an entrepreneur is different from managers because managers only plans, organises and controls a business idea that is successfully initiated by the entrepreneur. Economy measure the number of entrepreneurial activities that are taking place in a nation. A country's economy is defined by the wealth it gets from business and industry. Caree and Thurik (2008) affirmed that entrepreneurship is one of the determinants of economic growth. Entrepreneurship not only contribute to employment, poverty alleviation, political stability but also it creates innovation, strong economic competitive power, reduces inflation, creates substitute goods and services, and social stability. Social crime, communal or regional crises, that may arise as a result of idleness is reduced through entrepreneurial activities. Entrepreneurial role is no longer in the stage of profit maximizations alone but for searching and discovery of information, translating new information into new market, seeking and developing economic opportunities, evaluating economic opportunities, marshalling the financial resources in business, making use of time and chance accurately, taking ultimate responsibility for management, providing for motivational system within the firm, and providing leadership, and bearing the risk for the (business) actions (Fadahunsi, 1992). The Nigeria government in recent time has rekindled efforts to grow the economy of Nigeria into one of the foremost world's developed economies by the year 2020 otherwise tagged vision 20:20. Concerted efforts of both public and private sector of the economy are needed to realise this economic policy projects of government. For this cause to be realistic, government strategies are on-going to drive the economy aggressively through the private sector participation. The present government is seeking to use a public-private partnership to revamp the economy through partnering with foreign private investors and creating an atmosphere for indigenous business to thrive. Nigeria government is making concerted effort to get out of the

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economic recession, revitalise the ailing companies and also to fulfil the mandate of the populace who brought them in through their votes. Arguably, discouraging import and encouraging export through empowering entrepreneurs and Small and Medium Enterprises (SMEs) is vital for the country's economic recovery. Federal government Graduate Entrepreneurship Fund (GEF), mainly for serving National Youth Service Corps (NYSC) members, Cottage Agro Processing (CAD) fund for small and medium Agro Processors are some of the programmes established by the government to support entrepreneurship (BDlife, 2017). In 2016, the federal government launched Youth Entrepreneurship Support (YES) and Youth Employment in Agriculture Programme (YEAP) to empower young agricultural producers in the rural areas. The programme targets 740,000 entrepreneurs in agricultural business. Vice President Osinbajo said that the recovering plan of the federal government is focused on investing in technology and music entertainment among young people, vanguard (04/2017). Furthermore, 23,400 artisans and traders in 13 states and including the Federal Capital Territory (FCT) has benefited from soft loans under Enterprise and Empowerment Programme (GEEP) as a part of Social Investment Programmes (SIP's). The main purpose of this study is to examine the role of government in promoting entrepreneurship in Nigeria. Identify the agencies set up by the government to support entrepreneurs including SMEs and their impact on economic growth and development.

Material and Methods

This paper relies heavily on historical data, past, present research findings and cases on the subject. Authors searched various databases including Google Scholar, ProQuest, and Scopus databases for peer-reviewed Journals, books, and other relevant publications on the subject. We included in our search studies conducted from 1980 to 2017 on entrepreneurship. To reduce bias, authors adopted systematic literature review process for management research as proposed by Tranfield et al. (2003). In conducting our review editorial, opinion, theoretical and qualitative and quantitative studies were included.

Results and Debate

Pre-Independent Entrepreneur and Government Intervention.

The government has seen the importance of entrepreneurship as a way of growing a better and sustainable economy they decided to design some plans to strengthen the activities of individuals or firms. The earliest effort at developing indigenous entrepreneurship in Nigeria was the establishment of Nigeria Local Development Board (NLDB). The functions of (NLDB) was brought to an end in 1943 with the aim of moving their functions to Regional Development Board. Three years later, federal loan Board was established. Their aim is to provide soft loans for people doing business in their various regions. The introduction of incentives and others advisory role was to encourage the entrepreneurs. The pioneer act of (1952), Industrial Development Act (income tax relief) (1958), industrial development imports duty relief (1959), customs duties; dumped and subsidies goods Act (1958), income tax and amendment act (1959) were established to check and control the activities of entrepreneurs. During these periods for which these laws were set up, the federal government provided the economic and socio-political atmospheres for an entrepreneur to operate and increased the investment opportunities that entrepreneurs could exploit themselves.

Post-Independent Entrepreneur and Government Intervention

Immediately after the enactment of those laws that ended in 1959, the Yaba Industrial Estate was established in 1962 to serve as a nursery for entrepreneurs. The products that produced ranges from tailoring, printing, sawmilling, cabinet making, furniture, hotel and catering services and banking. By 1969, four others industrial estate (Ikeja, Iganmu, Apapa

and Ilupeju) were established. Nigeria Enterprise Promotion Decree on indigenization was promulgated in 1972 to reduce the dominance of foreigners in Nigeria businesses (Arogundade et al., 2015). In the light Nigeria Enterprise Promotion Decree, enterprises were categorised into fully owned, 60% owned and 4% owned. Due to government concern to grow the economy by exploring crude oil, limited government intervention was made available to entrepreneurs. The incentive that usually goes to entrepreneurs were diverted by desperate political office holders. This neglect transits from one government to another. Training scheme being organised to empower entrepreneurs was just for formalities for one or group of person to loot the government treasury. Business plan and feasibility study required to get the loans were submitted but the loans were never disbursed to the entrepreneurs. Moreso, the government did not see the non-oil sector to be a driving force in Nigeria economy. They rely heavily on crude oil and gas which accounts for about 90 percent of foreign exchange earned by the country while non-oil export accounts for the balance (Kelikume, 2017). Nigeria's economic decline, since 1980's has created a hostile environment that is unfavourable to entrepreneurial success, the Nigeria's lack of infrastructures limits entrepreneurial effectiveness and success. Provision of affordable quality education for all Nigerians, through the Universal Basic Education, Mass Adult Literacy programs, incentive to expand, access information and communication technology policies to support entrepreneurship as proposed by Obasanjo would have guided the growth of entrepreneurship in Nigeria (Proshare, 2012). Proshare (2012) added that, the policy even recommends partnership with national and international agencies including the United Nations Transfer of Knowledge through Expatriate Nationals Program or TOKTEN as it is commonly known. The government of Nigeria has underperformed in the area of encouraging entrepreneurs to be creative, innovative as well as encouraging them to reduce unemployment and poverty, compared with the emerging Asia countries. Thailand, Malaysia, China, India and Indonesia were far behind Nigeria in terms of GDP per capital in 1970. These countries have transformed their economies far better than Nigeria, they are also key players in the global market. Political instability, the absence of visionary leadership, mismanagement of public funds, corruption, and absence of merit system, the prolonged period of military rule stifled economic, social progress and the growth of entrepreneurship particularly in the three decades of the 1970s to 1999. During these years, country's resources were plundered and looted by political office holders. Social values were debased, and unemployment rose astronomically with concomitant increase in crime rate (Kelikume, 2017). Since 1999, Nigeria economic growth has increased with 74 Percent in the last decades with annual average, but this does not reflect the major economic transformation that Nigerians are yearning for in term of information technological development, communication system, creations of jobs, entrepreneurial empowerment scheme, poverty alleviation among others. Nigeria government did not deem it necessary to grow the economy by supporting entrepreneurship until the fall of crude oil price at the international market. The fall of crude oil price and massive looting of resources threw the country into economic recession. It appears that discovering of crude oil has turn out to be a cause instead of being a blessing to our economy. The focus of the government is how to recover from the economic recession. The government has set up an economic plan that should put the country's economy on the path of recovery. The effort has been geared into agriculture, entrepreneurs and small and medium scale enterprises SMEs to revamp the economy that would have been developed during the period of the oil boom.

Government schemes for entrepreneurs.

BDlife (2017) said Bank of industry has a number of funds that entrepreneurs of all levels can access, firstly the Graduate entrepreneurship fund (GEF), which is meant for serving members of the national youth service corps (NYSC). Applicants are allowed to submit their business plans,

ideas which are reviewed by a team of experts. The NYSC members that have good ideas will be selected and trained for four weeks. Successful applicants can get between ₦500,000 and ₦2 million as loan to start their business. There are also the Cottage Agro Processor (CAP) funds for small and medium agro-processor. Players in the movie industry can get Nolly fund, as well as fashion fund for designers and others players in the value chain. Lagos state which is the Centre for entrepreneurial businesses and SMEs earmarked ₦25 billion to support micro, and small business under micro businesses. Entrepreneurs can access up to ₦500,000 loans while small business can access up to ₦5 million with 5% interest and tenor of one year and 5% interest rate and a tenor of 3 years respectively. Femi Egbesola, National President, Association of Small Business Owners (ASBON), in start-up digest affirms that there are various funds available for business owners like government social intervention fund, Lagos State Employment Trust Fund and Bank of Industry micro-lending fund. Social Intervention fund FG, a total of ₦6 billion was allocated under the social intervention fund in the 2017 budget. The criteria for accessing the fund is membership of a business organisation. The fund is for artisans and owners of micro businesses. The artisans or business owners can only access a maximum of ₦100,000 at three percent rate on a year tenor. According to Premium time (March 17, 2016), the present administration, through the Bank of Industry, formally launched N10 Billion Youth Entrepreneurship Support (YES) project to empower youth with loans to start a business. The goal of YES is to create about 36,000 jobs annually. In its determination to reduce the level of youth unemployment, the federal government has plans to empower 740,000 market-oriented young agricultural producers in rural areas under Youth Employment in Agriculture Programme (YEAP) (Mohammed, 2016). This was made known in one-day stakeholders workshop on (YEAP) in Abuja through the Permanent Secretary Federal Ministry of Agriculture and Rural Development Dr Shehu Ahmed in a Keynote address who was represented by Director, Animal Production and Husbandry Services Dr. (Mrs.) Egejuru Eze. YEAP aims to develop and support additional 18,500 university graduates who would be formed into young agribusiness entrepreneurs called "Nagropreneur" that would develop business along the entire agricultural value chain ranging from the farm storage, processing, value addition, marketing services and logistics.

Accessing of government loans and grants in Nigeria

Nigeria loans and grants can be accessed depending on the source that is applicable to the applicants. Arguably, to encourage citizens to participate in farming and agricultural practices government should give loans and grants. The federal government of Nigeria have set up different schemes and programs to provide funds for the development of the agricultural sector and to encourage farmers and investors to embrace agriculture. The loans and grants are meant to support both large and small-scale farmers.

These loans cover a range of agricultural practices including crop cultivation and livestock rearing. There are a number of sources to access agricultural loans. Some of them include:

1. (CBN) Central Bank of Nigeria agricultural loan to farmers in Nigeria.
2. Bank of agriculture loan

1. CBN Agricultural Loan:

This loan scheme was set up by the federal government to provide low-interest loans to farmers in Nigeria. In light of this, the Central Bank of Nigeria (CBN) has recently approved the disbursement of about 75 billion naira as loans for farmers and cooperative societies in the 36 state and the federal capital territory (FCT). This loan can be accessed directly from the Bank of Agriculture.

2. Bank of Agriculture (BOA) Loan

The Bank of Agriculture of Nigeria is the major avenue the government has employed to disburse loans and grant for agricultural purpose to the public. The bank is owned by the federal government with the Central Bank of Nigeria and federal ministry of finance

incorporated as shareholders. The activity of the bank is checked by the Federal Ministry of Agriculture and rural development. When thinking of government loans, the BOA should be the first choice.

- You must have maintained a minimum customer account relationship.
- You must have deposited at least 20% of the required loan account into the account.
- You must provide collateral, excluding land
- You must provide a detailed business plan
- Further details about BOA loans are available on the BOA website.

3. Agricultural Co-operative Societies

The easiest and surest of securing agricultural loans is through cooperatives societies credits are given to these societies come as grants. Generally, the banks provide the grant to cooperative societies who then distribute it to each member on the basis of contributory payment.

Some of the popular agricultural cooperatives that you can join to access loans are Farmers Association of Nigeria (AFAN), Youth Empowerment in Agriculture Program (YEAP), and FADAMA.

Requirement to Access Government loans and grants from banks by cooperative societies are:

- ✓ Forming a cooperative society
- ✓ Submission of loan request with the co-operative letterhead to the bank
- ✓ The application must be duly signed by persons or parties involved.
- ✓ A well-articulated business plan must draft and submitted.

Banks of Industry (BOI)

The federal government in the giant stride has partnered with the commercial Bank through the bank of industries to assist both farmers and artisans get loans. Some of this commercial banks. United Bank for Africa (UBA), Zenith Bank, and Stanbic IBTC among others.

Commercial banks also give loans to individual and cooperatives for agricultural purposes and other businesses. Commercial banks give short, medium and long-term loans. The acceptable requirement of all includes.

- Open an account with the bank
- Submit a loan application
- Deposit at least 10% of the total sum loan applied
- Provide collateral security for the bank
- Submit a business plan with feasibility study

Consideration for setting up modern entrepreneurs

- ✓ Business Registration: Engaging in a meaningful venture must be registered, which is the most important step in establishing a business. The types of business organisational structure selected by entrepreneur will depend certainly on funding, budgeting, taxation and workforce. The Corporate Affairs Commission of Nigeria, established 1990 is charged with the responsibility of business registration.
- ✓ Domain Name: Entrepreneur business must have a name or a means of identification. The major legal consideration to have when choosing a domain name is to ensure that your name is not already in use by another person because the Nigeria cybercrime act 2015 makes it a punishable offence for anyone to intentionally register a domain name that is already been used by another person.
- ✓ Creating and development website: An internet link, need to be created and developed for the purpose of knowing what the entrepreneur do or practice. An e-commerce business would typically require that you develop and maintain a website. Firstly, develop it by yourself, ensuring that images, logos and design used in

developing your website are not already owned by another person. Secondly, if one hire a professional web developer, there is need to sign a contract with the web developer that would spell out the intellectual property rights and obligation. This is important to prevent exposure to liabilities and preventing the web developer or a third party from leveraging on insider information about your business idea obtained while developing your website.

- ✓ Data Privacy: As an e-commerce entrepreneur, a good part of your business transaction would require that your customers disclose sensitive private information about themselves over the internet. The NIIDA Draft Guideline Data Protection and the Nigeria Cyber Crime Act, 2015 contains rules and regulations that an e-commerce outfit should follow.
- ✓ Credit Card Transaction: It is common practice for online business owners to integrate a payment gateway on their websites through which customers pay for goods and services rendered online stocking image. It is essential that thorough investigation is conducted to ensure that merchant account chosen is in line with the Payment Card Industry Security Standard Council (PCI-SSC) guidelines.
- ✓ Trademark: Of all Entrepreneur must have trademarks that represent a means of identification. Trademarks are images, logos, pictures, names, signs, designs, colours, sounds and jingles etc. which distinguish your product or service from others.
- ✓ Tax consideration: Entrepreneur must have it in mind, that tax is a responsibility of the business owner to exercise. The law on taxation in Nigeria requires that businesses in Nigeria or that derive income from Nigeria are liable to pay tax.

Conclusion

Entrepreneurs have been viewed as persons with capacity that turns things around through innovation, creativity, time, money and any other resource that is available to them. This study noted that government at various dispensation has disbursed more money towards empowering individuals at all levels which includes market women, artisans, entrepreneur, small and medium scale ventures though, the impact of such funds disbursed has not been felt. There seems to be no correlation between the number of funds disbursed and economic growth in Nigeria. The various agencies that were set up like Federal Government Graduate Entrepreneurship Fund (GEF), National Youth Service Corps Scheme (NYSC), College Agro Processing (CAP), Youth Entrepreneurship Support (YES), Youth Empowerment in Agriculture Programme (YEAP) e.t.c have made little or no impact. A huge amount of money spent and budgeted for, don't get to entrepreneurs. The questions that keep begging for answers is where are all the monies disbursed and who are the beneficiaries of the funds. Even private sector funds such as Dangote and Elumelu fund were not effectively disbursed to worthy entrepreneurs.

Recommendations

Government at all levels should make this fund available not only to entrepreneurs but for micro businesses, small and medium scale business. All these programs that were established for funding entrepreneurs should not be made to look like invisible bodies of government, whose activities are only heard on print and electronic media but in reality, they are not fulfilling the mandate for which they were established. The government should create enabling environment for business to thrive by ensuring political stability, violence-free, tackling hijackers of entrepreneurs funds and corruption. The agencies established to investigate and prosecute corrupt government officials should be strengthened and given free hand to do their work. Government as well as lawmaker, should make policies and laws that will encourage entrepreneurs and enhance SMEs potentials. This will encourage the youth to

get involved in legitimate business thereby shun social vices. Finally, to have a robust economy like China, India, Indonesia, America, Germany and other developed nations, the country needs to have a strong entrepreneurial base.

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CRITICAL FACTORS OF SOCIAL MEDIA MARKETING AND ITS INFLUENCE ON CUSTOMERS' BUYING DECISION

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Abstract:

Social media marketing (SMM) is the latest innovation in the marketing world. The base for any media to succeed is to make Conversation impactful. Social media marketing is the new method of marketing, which is based on the common principle of Word of Mouth (WOM). Social media gives marketers a voice and a way to communicate with peers, customers and potential consumers. It personalizes the "brand" and helps you to spread your message in a relaxed and conversational way. It is been found that India is the world's 7th largest internet market, growing at 11.2%. Social media users in India grew from 38 million in November 2011 to 60.5 million at present. In a nutshell, the social media websites in India are growing by almost 100% year after year. As Social media has risen to a great level in India since last few years, still huge opportunities are untapped. Marketers in the west have already taken advantage of Social Media but Indian marketers are still lagging behind in this foray. This study is an attempt to create awareness among Indian marketers about the power of Social media Environment spreading at large. The central theme of the present research work revolves around the identification of most influential social media marketing factors for making the purchase decision of customers with special reference to Rajasthan. To serve the objective a sample of 358 users of social media was selected. From the study it was observed that easier searching of information on social media is an extremely influential factor while making purchase decision on it.

Keywords: Social Media, Marketing, Factor Analysis, Purchase decision.

1. Introduction:

Social Media is now the trend and for businesses it represents a marketing opportunity that transcends the traditional middleman and connects companies directly with customers. This is why nearly every business on the planet—from giants like Starbucks and IBM to the local ice cream shop—are exploring social media marketing initiatives. A year ago, businesses were uncertain about social media. Now it's here to stay and companies are rapidly adopting social media marketing. Much like email and websites first empowered businesses, social media is the next marketing wave.

Social media marketing is marketing using online communities, social networks, blog marketing and more. It's the latest "buzz" in marketing. India is probably among the first proponents of social media marketing. These days, the organizational cause has replaced the social cause as companies seek to engage with their audience via the online platforms.

The explosion of social media phenomenon is as mind boggling as that and the pace at which it is growing is maddening. Trust and goodwill are the basis of social networking, and by marketing in the realm of social media these fundamental notions need to be adhered. It is probably the only marketing platform that encourages fool proof communication and accountability among sellers as well as consumers. Global companies have recognized Social Media Marketing as a potential marketing platform, utilized them with innovations to power their advertising campaign with social media marketing.

2. Review of Literature:

Gangani & Majmudar (2013) has intended to identify the usefulness of social media for advertisement, to know the pattern of features which attracts the users and pattern of users while purchase of product and what role social media plays. Results revealed that awareness of online marketing is high as 88%. Facebook and Orkut is preferred website compared to LinkedIn and Ibibo. Many respondents are aware of the products and services been sold online but, very few are purchasing online. But, all the users are using some of the

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applications on social media. Researcher also concluded that social media optimization gives the benefits like Faster response, increase inter activity, universal accessibility, reduction in cost and security and privacy. Education level and occupation are the major determinant following SMO strategies of marketers.

Agarwal (2013) provided an overview of some of the recent research that has been conducted on how companies that sell to the education market are using social media. This survey provided helpful information for benchmarking the organization in developing social media marketing strategy vs. other companies and organizations in the education industry. It concluded that social media can be more valuable marketing strategy than any other form of marketing as It connects with every part of the organization's business.

Dureha(2013) has thrown light on the importance of niche marketing via social networks. It concluded that If managed correctly, the niche marketer can be viewed as an authority, or expert, in their chosen field, and this positioning can drive traffic back to a home page. The researcher suggested that, these days, if you are not engaging in social media to help sell your products and services, you are leaving lots of money on the table. It has become very important to figure out who your target market is and use social media to connect with them. The paper also concluded that social media communities provide an incredible opportunity to educate and generate leads from your target audience. Researcher suggested some of the ways on how to start a own niche community online.

Vij & Sharma(2013) has studied the social media experience of consumers and marketers in the State of Punjab. This paper tried to elicit the perception about motives, beliefs, policies, specific actions, and experiences of marketers about Social Media Marketing (SMM). It also attempted to study the perception of customers' about reasons for their presence on social media and factors determining their social media behaviour. The paper also suggested the measures for effective Social Media Marketing (SMM) strategies.

Stelzner (2013) has tried to examine how Marketers are using social media to grow and promote their businesses. Major findings of the research were: 1. Marketers place very high value on social media. 2. Most of the marketers plan on increasing their use of YouTube, making it the top area marketers will invest in for 2013. 3. Facebook and LinkedIn are the two most important social networks for marketers. 4. Increased exposure is the top benefit of social media marketing.

Hamid, Akhir, & Cheng (2013) has done an exploratory study to examine the relationships between the use of social media, trust and customer retention. The primary data for this research were collected through survey questionnaire. Results indicated there are positive correlations between the research variables. Indeed, among the factors that hoteliers should emphasize is the use of social media as the marketing communication channel. Social media tools such as blogs, facebook and twitter are gaining popularity and the trends are showing that more literate and younger customers have begun to respond well to these tools. The power of viral marketing afforded by the social media must be managed well as to leverage on the cost effective means to reach out to the like-minded group of potential customers, which otherwise might be lost to other competitors.

Bati (2013) examined that how young university students' attitudes towards marketing activities in social media tools. The study showed that young adults think social media facilitate interaction, information-sharing and collaboration for the marketing activities. In the research, it is revealed that 85% of the participants think that a brand needs 'a strong electronic presence'. In addition to this, 77% of the participants trust the advice of other consumers, 53% of the participants state that social media tools increase brand awareness and 68% of the participants think social media tools increase brand loyalty. As an implication of the study researcher concluded that, it is sure that for companies not engaging in the social media marketing conversation with their customers is big deficiency. Brands have had to

increase their transparency, and be more honest about their offering in today's marketing environments. In this way, consumers can go and search for the truth online, offered by virtual strangers. In addition to this, it is today expected that a company have some digital face for the future opportunity. They need a strong electronic presence or you doubt their relevance in today's marketplace.

Miller & Lammis (2013) tried to describe social media and its implications for viral marketing. Results of the study concluded that Web 2.0 social media is a potentially powerful medium for finding key consumer influencers, engaging them, and generating brand advocates. However, in order to build viral campaigns and foster online WOM, trust must be established and subsequently reinforced in order to overcome any reluctance on the part of the would-be consumer. Researcher suggested that One tactic for success is to move away from the hard-sell to instead embrace the notion of "co-creation". By tapping into or creating their own online social networks, social media marketers can influence a brand community and potentially influence consumer behaviour.

After the thorough review of available literature, it is abundantly clear that Social media is of great importance in today's scenario. Social media research is a very recent phenomenon in India and it is gaining popularity over television, print and other mass media.

3. Research Methodology:

Objectives of the Study

To identify the most critical Social Media Marketing factors which affects the purchase decision of customers.

Sources of Information

The study conducted with the primary, secondary and other qualitative inputs that directly influence the practices of social media marketing. Research has to rely hereby on the field survey techniques, i.e. questionnaires, interviews and observations as well as published and unpublished reports & records, journals, periodicals, newspapers and magazine to collect primary and secondary data. Information regarding sources is given below in detail:

Primary sources of information: The users of social media were surveyed through a well structured questionnaire. Ranking scale was applied to identify the level of influence of social media marketing factors on purchase decision of customers.

Secondary sources of information: Adequate secondary sources have been searched for the study. The secondary sources of information have been gathered from the following: published and unpublished reports & records, journals, periodicals, newspapers and magazines.

Sampling Technique:

Stratified purposive sampling technique was employed for selecting representative samples from different districts of Rajasthan.

Sample size and sampling unit:

Data has been collected from 348 users of social media in Rajasthan (Jaipur, Udaipur, Kota, Ajmer and Jodhpur).

The **demographic profile** of these 348 respondents was as follows:

1) **Gender:** Majority of users of social media taken under study were male (N=227, Percentage = 65.23%) and rest were female (N=121, Percentage = 34.77%).

2) **Age:** Maximum number of social media users (N=205, Percentage = 58.91%) were from the age group of 15 to 25 years followed by 33.05% (N=115) of users from age group of 25 to 40 years and 8.05% (N=28) were from more than 40 years. No one was below 15 years of age.

3) **Monthly Income:** Out of the total users of social media (N=348) taken under study 42.24% users were earning below Rs. 10000 monthly followed by 31.03% users (N=108)

were earning between Rs. 10000 to 25000 as their monthly income. 20.98% users (N=73) were earning Rs. 25000 to 50000 monthly and only 5.75% i.e. N=20 users were earning above Rs. 50000 monthly.

4) **Occupation:** Out of the total users of social media (N=348) taken under study majority of users (N=143, Percentage=41.09%) were in private service followed by 32.76% users (N=114) were in other occupation. 17.53% users (N=61) were in business and only 8.62% i.e. N=30 users were in government service.

5) **Qualification:** Out of the total users of social media (N=348) taken under study majority of users (N=134, Percentage=38.51%) were post graduates followed by 36.49% users (N=127) who were graduates. 16.38% users (N=57) were in professional course and only 8.62% i.e. N=30 users were undergraduate. No one is from any other educational profile.

6) **Area of residence:** Out of the total social media users (N=348) taken under study majority of users (N=332, Percentage=95.40%) were residing in urban area and very few respondents (N=16, Percentage=4.60%) were having their area of residence in rural areas.

4. Data Analysis and Interpretation:

Quantifiable data from the questionnaires was coded into Statistical Package for Social Sciences (SPSS 16.0) for analysis. Statistical techniques were then employed to analyze the data collected from the survey.

This section discusses the critical factors of social media marketing that influence the purchase decision of customers and their level of influence. This discussion also includes which factor influence the most and which factors has the least influence on the buying decision.

Further, it includes the identification of most critical factors of social media marketing that affects the buying decision of consumers.

Respondents were requested to share the level of influence of different factors of social media marketing on their buying decision. The level of influence was set from 1 to 5 (5 denotes the Extremely influential, whereas, 1 is the Not at all influential).

In addition following criteria is used for analysis part:-

The score among 1.00-1.80 means Not at all influential

The score among 1.81-2.60 means Slightly influential

The score among 2.61-3.40 means Somewhat influential

The score among 3.41-4.20 means very influential

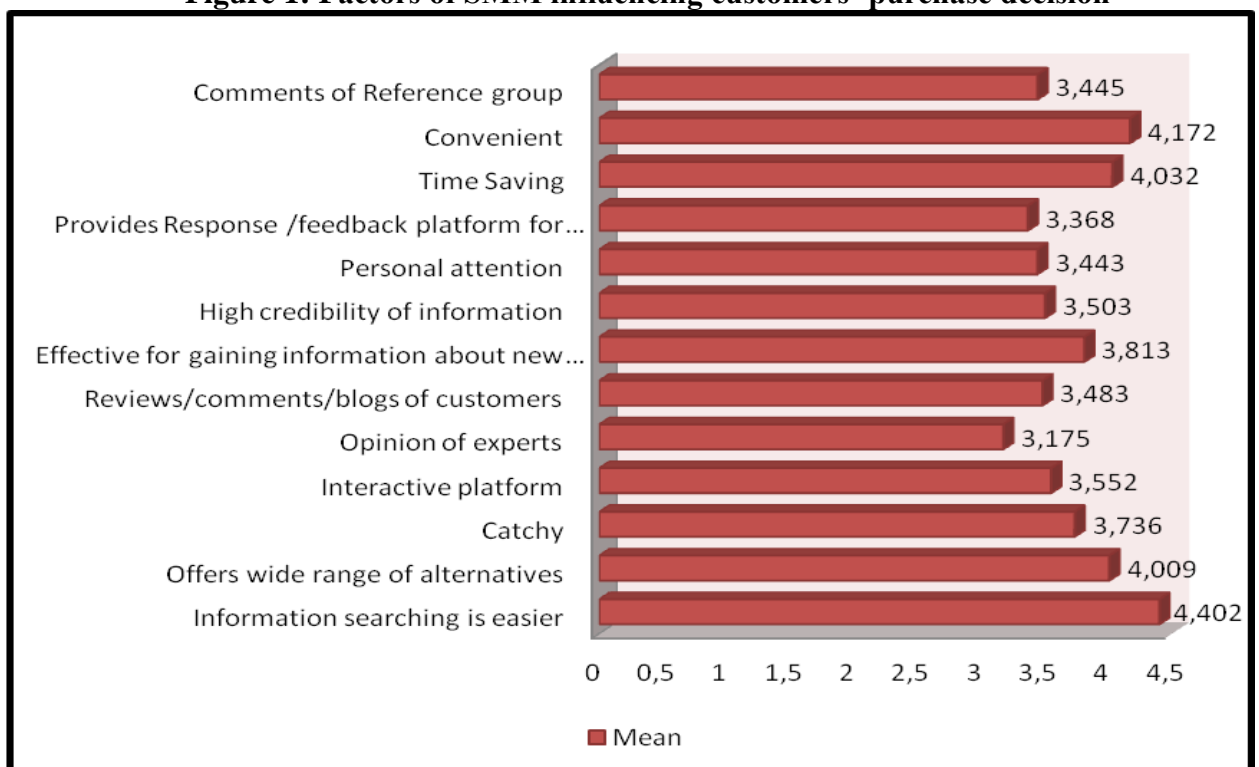
The score among 4.21-5.00 means Extremely influential

Table 1: Factors of SMM influencing customers' purchase decision

S. No.	Factors of Social media marketing	Extremely influential	very influential	somewhat influential	slightly influential	not at all influential	Total	Mean	SD	Result
1	Information searching is easier	203	109	21	3	12	348	4.4	0.91	Extremely influential
2	Offers wide range of alternatives	122	148	46	23	9	348	4.01	0.99	very influential
3	Catchy	97	137	60	33	21	348	3.74	1.14	very influential
4	Interactive platform	69	134	92	26	27	348	3.55	1.12	very influential

S. No.	Factors of Social media marketing	Extremely influential	very influential	somewhat influential	slightly influential	not at all influential	Total	Mean	SD	Result
5	Opinion of experts	42	104	119	39	44	348	3.18	1.17	Somewhat influential
6	Reviews/comments/blogs of customers	87	93	104	29	35	348	3.48	1.24	very influential
7	Effective for gaining information about new products/services	100	140	60	39	9	348	3.81	1.05	very influential
8	High credibility of information	59	134	93	47	15	348	3.5	1.06	very influential
9	Personal attention	76	113	81	45	33	348	3.44	1.23	very influential
10	Provides Response /feedback for resolving grievances by companies	73	96	102	40	37	348	3.37	1.24	Somewhat influential
11	Time Saving	166	89	53	18	22	348	4.03	1.19	very influential
12	Convenient	167	111	45	13	12	348	4.17	1.02	very influential
13	Comments of Reference group	51	136	99	41	21	348	3.45	1.07	very influential

Figure 1: Factors of SMM influencing customers' purchase decision



4.1 Easier way of searching information:

As per the analysis shown in Table 1 out of total respondents (N=348), majority of the respondents (N=203) consider that their purchase decision is extremely influenced with the fact that social media is an easier way of searching information followed by 109 respondents which consider this factor very influential.

The overall mean score of 4.4 projects the extreme influence of the factor on buying decision of consumers.

4.2 Offers of wide range of alternatives:

As per the analysis shown in Table 1 out of total respondents (N=348), majority of the respondents (N=148) consider that their purchase decision is very influenced with the fact that social media offers wide range of alternatives followed by 122 respondents which consider this factor extremely influential.

The overall mean score of 4.01 indicates that availability of wide range of choices is very influential in affecting the buying decision of consumers.

4.3 Catchy:

As per the analysis shown in Table 1 out of total respondents (N=348), majority of the respondents (N=137) consider that their purchase decision is very influenced by the catchy attribute of social media marketing followed by 97 respondents which consider this factor extremely influential.

The overall mean score of 3.74 indicates that catchiness of social media marketing is very influential in affecting the buying decision of consumers.

4.4 Interactive Platform:

As per the analysis shown in Table 1 out of total respondents (N=348), majority of the respondents (N=134) consider that their purchase decision is very influenced by the fact that social media is an interactive platform through which customers can acquire more information about the product or service they are interested to buy followed by 92 respondents which consider this factor somewhat influential.

The overall mean score of 3.55 indicates that interactive social media marketing is very influential in affecting the buying decision of consumers.

4.5 Availability of Expert Opinion:

As per the analysis shown in Table 1 out of total respondents (N=348), majority of the respondents (N=119) consider that their purchase decision is somewhat influenced by the expert opinion available on social media followed by 104 respondents which consider this factor very influential.

The overall mean score of 3.18 indicates that expert view on social media platforms is somewhat influential in affecting the buying decision of consumers.

4.6 Reviews/Comments/Blogs of Customers:

As indicated in Table 1 out of total respondents (N=348), majority of the respondents (N=104) consider that their purchase decision is somewhat influenced by the reviews/comments/blogs of customers available on social platforms followed by 93 respondents which consider this factor very influential.

The overall mean score of 3.48 projects that customers' viewpoint through their reviews of products/services or comments or blogs on social media platforms is very influential in affecting the buying decision of consumers.

4.7 Effective for gaining information about new products/services:

As indicated in Table 1 out of total respondents (N=348), majority of the respondents (N=140) consider that their purchase decision is very influenced by the social media as it is effective way of gaining information about new products/services followed by 100 respondents which consider this factor of social media as extremely influential.

The overall mean score of 3.81 projects that effectiveness of social media in gaining information about new products/services is very influential in affecting the buying decision of consumers.

4.8 High credibility of information on social media:

As indicated in Table 1, out of total respondents (N=348), majority of the respondents (N=134) consider that their purchase decision is very influenced by the social media as it offers information with high credibility followed by 93 respondents which consider this factor of social media as somewhat influential.

The overall mean score of 3.5 projects that high credibility of information on social media is very influential in affecting the buying decision of consumers.

4.9 Personal attention to customers on social media:

As indicated in Table 1, out of total respondents (N=348), majority of the respondents (N=113) consider that their purchase decision is very influenced by the social media as it gives personal attention to customers followed by 81 respondents which consider this factor of social media as somewhat influential.

The overall mean score of 3.44 projects that personal attention given to the customers on social media is very influential in affecting the buying decision of consumers.

4.10 Social Media Provides Response /feedback platform for resolving customers' grievances by sellers:

As indicated in Table 1, out of total respondents (N=348), majority of the respondents (N=102) consider that their purchase decision is somewhat influenced by the social media as it provides feedback platform for resolving customers' grievances directly by sellers followed by 96 respondents which consider this factor of social media as very influential.

The overall mean score of 3.37 projects that grievance handling platform on social media is somewhat influential in affecting the buying decision of consumers.

4.11 Time Saving:

As per the statistics shown in Table 1, out of total respondents (N=348), majority of the respondents (N=166) consider that their purchase decision is extremely influenced by the social media as it is time saving option for collecting required information tailed by 89 respondents which consider this factor of social media as very influential.

The overall mean score of 4.03 projects that social media is extremely influential in affecting the buying decision of consumers as it is time saving alternative for collecting information about the desired product/service.

4.12 Convenient Option:

As per the analysis shown in Table 1, out of total respondents (N=348), majority of the respondents (N=167) consider that their purchase decision is extremely influenced by the social media as it is convenient option for collecting required information tailed by 111 respondents which consider this factor of social media as very influential.

The overall mean score of 4.17 projects that social media is extremely influential in affecting the buying decision of consumers as it is convenient alternative for gathering required information about the product/service.

4.13 Comments of Reference group on social media:

As per the analysis shown in Table 1, out of total respondents (N=348), majority of the respondents (N=136) consider that their purchase decision is very influenced by the comments of their reference group on social media tailed by 99 respondents which consider this factor of social media as somewhat influential.

The overall mean score of 3.45 projects that comments of reference group on social media is very influential in affecting the buying decision of consumers.

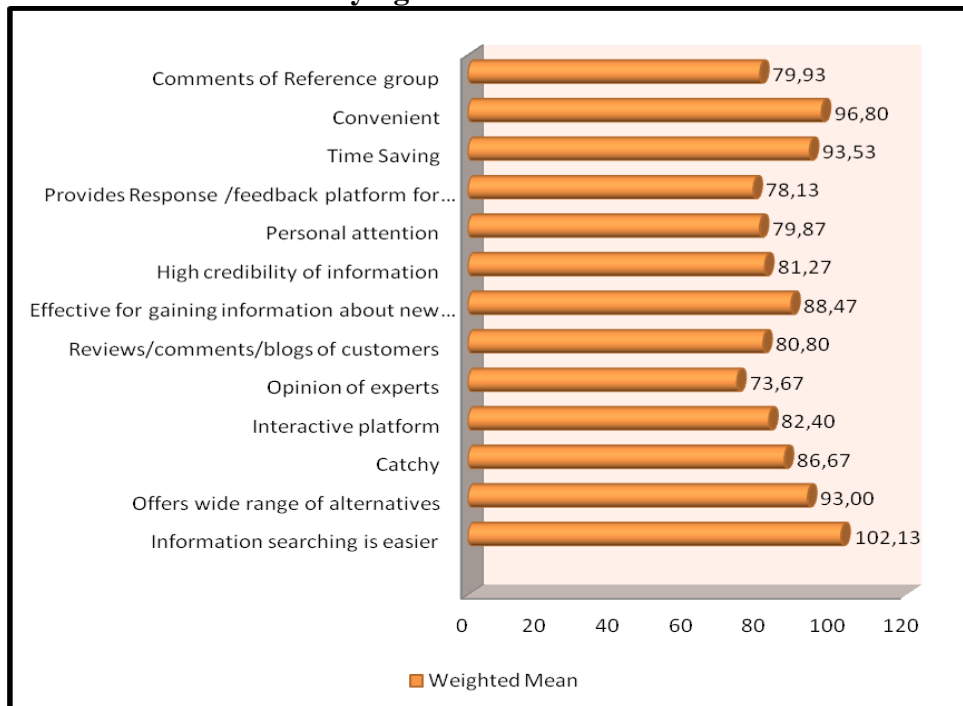
4.14 Influence of Social Media marketing factors on the purchase decision of consumers:

Consumers were asked to indicate the level of influence of social media marketing factors on five point scale starting from Extremely influential (5) to not at all influential (1). Final ranking is obtained with the help of weighted arithmetic mean. In order to calculate total weighted score, the numbers of respondents who have given influence level from 5 to 1 are multiplied by 5 to 1 respectively. The mean score is calculated by dividing the total score by total number of weights (i.e. 15).

Table 2: Level of influence of social media marketing factors on buying decision of customers

S. No	Factors of Social media marketing	Extremely influential	very influential	somewhat influential	slightly influential	not at all influential	Total	Weighted Score	Weighted Mean	Rank
1	Information searching is easier	203	109	21	3	12	348	1532	102.13	1
2	Offers wide range of alternatives	122	148	46	23	9	348	1395	93.00	4
3	Catchy	97	137	60	33	21	348	1300	86.67	6
4	Interactive platform	69	134	92	26	27	348	1236	82.40	7
5	Opinion of experts	42	104	119	39	44	348	1105	73.67	13
6	Reviews/comments/blogs of customers	87	93	104	29	35	348	1212	80.80	9
7	Effective for gaining information about new products/services	100	140	60	39	9	348	1327	88.47	5
8	High credibility of information	59	134	93	47	15	348	1219	81.27	8
9	Personal attention	76	113	81	45	33	348	1198	79.87	11
10	Provides Response /feedback platform for grievances from companies	73	96	102	40	37	348	1172	78.13	12
11	Time Saving	166	89	53	18	22	348	1403	93.53	3
12	Convenient	167	111	45	13	12	348	1452	96.80	2
13	Comments of Reference group	51	136	99	41	21	348	1199	79.93	10

Figure 2: Level of influence of social media marketing factors on buying decision of customers



The table 2 shows that, customers purchase decision is highly influenced with the fact that social media marketing is an easier way to search information with a weighted mean score of 102.13 followed by convenience of search on social media (Weighted Mean score = 96.80). Social media is a time saving option ranked 3rd with a Weighted Mean score of 93.53, followed by availability of wide range of alternatives on social media that ranked 4th with a weighted mean score of 93. Effectiveness of social media for gaining information about new products/services ranked fifth on the basis of influence level on customers' purchase decision with weighted mean score of 88.47 tailed by catchy feature of social media marketing is at 6th rank with a weighted mean score of 86.67.

Social media offers an interactive platform for customers through which they can collect more information about product/service before making a buying decision is graded at 7th place with a weighted mean score of 82.40, tailed by high credibility of information on social media is at 8th rank with a weighted mean score of 81.27.

Reviews/comments/blogs of customers on social media is graded at 9th place on the basis of influence on buying decision of customers with a weighted mean score of 80.80, tailed by comments of reference group on social media is at 10th rank with a weighted mean score of 79.93.

Social media gives personal attention to the customers and it is ranked 11th on the basis of influence on purchase decision of customers with a Weighted Mean score of 79.87, followed by availability of platforms for resolving customers grievances directly by company executives on social media that ranked 12th with a weighted mean score of 78.13.

The least influential factor of social media marketing is availability of expert opinion on it which is graded at 13th place with a weighted mean score of 73.67.

As from the analysis of table 2, it can be concluded that majority of customers' purchase decision is influenced the most by social media marketing because it is an easier way of searching information.

4.15- Factor analysis:

To reduce the number of variables in terms of relatively few new categories factor analysis is performed. These new categories are termed as factors, which also indicate the percentage of variance explained. The results are presented in table 3. Result shows that the total variance explained are 54.52%. This is appropriate for factor analysis. The 54.52% variance was explained by the 2 extracted components.

Table 3: Total Variance Explained

Total Variance Explained									
Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.999	46.145	46.145	5.999	46.145	46.145	4.407	33.898	33.898
2	1.088	8.369	54.514	1.088	8.369	54.514	2.680	20.615	54.514
3	.987	7.594	62.108						
4	.901	6.934	69.042						
5	.697	5.361	74.403						
6	.619	4.761	79.164						
7	.547	4.204	83.368						
8	.503	3.871	87.239						
9	.475	3.651	90.890						
10	.383	2.949	93.839						
11	.322	2.480	96.319						
12	.271	2.087	98.406						
13	.207	1.594	100.000						
Extraction Method: Principal Component Analysis.									

The most important tool in interpreting factors is factor rotation. The term rotation means the reference axes of the factors are turned about the origin until some other position has been reached. Factor rotation assists in the interpretation of the factors by simplifying the structure through maximizing the significant loadings of a variable on a single factor. Table 4 explains that the factor analysis has grouped the 13 variables into two factors. The first factor consists of 9 variables and second factor is made with the combination of 4 variables.

Table 4: Rotated Component Matrix

	Component	
	1	2
1	.773	
2	.851	
3	.650	
4	.552	
5		.538
6	.564	
7	.453	
8		.479
9		.755
10		.807
11	.714	
12	.760	
13	.593	

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

On the basis of loading of the statements, they are explained below in table 5. As the variables included in various factors are heterogeneous by nature so they are not renamed.

Table 5: Factors Extracted

Factor	Variable	Loading
Factor 1	Offers wide range of alternatives	.851
	Information searching is easier	.773
	Convenient	.760
	Time Saving	.714
	Catchy	.650
	Comments of Reference group	.593
	Reviews/comments/blogs of customers	.564
	Interactive platform	.552

Factor	Variable	Loading
	Effective for gaining information about new products/services	.453
Factor 2	Provides Response /feedback platform for grievances from companies	.807
	Personal attention	.755
	Opinion of experts	.538
	High credibility of information	.479

Factor 1:

This factor is responsible for 33.90% variance of total variance. Nine variables are grouped in factor 1 out of which six variables are related to attributes/characteristics of social media marketing like it's easier way of searching information, offers wide range of alternatives, offers interactive platform, its catchy, time saving and convenient. Two more variables included in factor 1 are comments/reviews/blogs of customers and reference groups. One more variable included in this factor is effectiveness of social media for gaining information about new products and services.

Factor 2:

This factor is explaining 20.6% variance of total variance. Four variables are grouped in factor 2 out of which two variables are related to advance feature of social media marketing as it gives personal attention to the users as well as it provides platform for resolving grievances directly be the company executives. The other two variables included in this factor are opinion of experts and high credibility of information available on social media.

5. Conclusion:

According to data collected from social media users, customers purchase decision is highly influenced with the fact that social media marketing is an easier way to search information followed by convenience of search on it. Social media is a time saving option and availability of wide range of alternatives on it was ranked third & forth important factors respectively. The factor analysis grouped the 13 variables into two factors. The first factor consists of 9 variables and second factor is made with the combination of 4 variables.

In all it can be noticed that social media marketing do attract the customers and to be competitive in the market continuous development in the social media marketing strategies is required.

6. Recommendation:

Customers are more favourable to informative characteristic of social media advertising. This factor could help companies to increase brand awareness through their social media advertising. Marketers should provide up to date information on their social media sites. Later, existing customers or potential customers will search for information that they want then compare with others products. Once consumers can recognize the brand, there is a relatively high chance for consumers to buy that company's products and/or services.

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ANALYSIS OF COMPETITION ON THE EUROPEAN NATURAL GAS MARKET

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Abstract:

This article addresses aspects of competition in the European gas market and more precisely analyzes the abuse of Gazprom's dominant position in preventing the free flow of gas in the Member States of the European Union and the unfair prices. In line with the European principle of freedom of movement for goods, services, persons and capital, the European Commission adopted three directives, approved in 1998, 2003 and 2009, by introducing competition on a market which had been closed down until then. From a macroeconomic perspective, there have been significant theoretical and empirical evidence suggesting that the liberalization of the European gas market has positive effects on the energy industry in terms of lower prices and security of supply. But competition law in the European energy sector is not always properly applied and consumers are discouraged in terms of implementing the legislative and regulatory framework. In accordance with art. 102 of the Treaty on the Functioning of the European Union (TFEU), EU countries importing natural gas must benefit from transparent, fair pricing contracts. However, in some cases, abusive practices have been used for gas importers in central and eastern Europe.

Keywords: Abuse of dominant position, competition, natural gas market, regulation

JEL Classification: P18, Q41

1. Introduction

In the last decades, the European energy system has undergone a series of structural and functional transformations in order to ensure sustainable, affordable and competitive energy for all citizens.

Against the backdrop of falling primary energy production and increasing consumption, EU Member States have begun to become more and more dependent on the supply of imported natural gas, contracts concluded over several decades, where the price was set according to the price oil.

The European Commission adopted in November 2010 the Energy 2020 - A Strategy for a Competitive, Sustainable and Secure Energy Strategy, which defines energy priorities for a 10-year period, and proposes measures that can be taken to address a range of challenges, including Creating a competitive and secure supply market, strengthening leadership in technology and effective negotiation with international partners.

2. European regulations on the internal gas market

In the early 1990s, in the European Union, national energy markets were dominated by state-owned enterprises with a monopoly over all activities. These markets were very poorly interconnected.

The European Commission has begun to challenge the existence of monopolies and exclusive rights in the gas and electricity industry on the grounds that it has made it impossible to have an integrated European market. However, at that time, there was no real chance of obtaining the agreement of all or a qualified majority of Member States to liberalize energy at Community level.

For this reason, the Commission decided to use the Treaty articles on competition law and the rules on free movement, forcing Member States to abandon these monopolies (Jones, C. and Webster, W., 2006, p. 2).

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In 1992, the Treaty of Maastricht completed the completion of the Single Market. This treaty, also called the Treaty on European Union, brought a novelty for the energy sector, widening the scope of the subsidiarity principle, valid until that date only for environmental issues. The subsidiarity principle is of particular importance in the field of energy, because it allows the Commission to harmonize the ratio of forces between the Member States and the Community institutions by using the Directive as the main instrument. The legal basis for this process has been developed by the European Commission as a set of European directives and regulations.

The term "liberalization" refers to Article 3 (1) (b) of the Treaty on the Functioning of the European Union (TFEU), which provides that "the Union shall have exclusive competence ... to establish the rules of competition necessary for its operation".

The first package (Directive 96/92/EC on common rules for the internal market in electricity and Directive 98/30 / EC concerning common rules for the internal market in natural gas) produced an initial market for gas and electricity.

The first directive did not provide for effective regulation, did not require the designation of a regulatory authority or set public prices. Instead, with the introduction of competition in the supply phase, she tried to address these vital issues by providing general objectives and continuing without specifying how they could be reached (Jones, C. and Webster W., p. 10).

The first Directive was replaced in 2003 by a second legislative package (Directive 2003/55/ EC) on the entry of new gas market suppliers in the Member States and allowed consumers to choose their own energy suppliers. The Second Directive requires the Commission and national regulators to create dominant companies and asks them to take measures to alleviate their domination. They only report on "dominance of the market" (Thomas S., 2005, p. 13).

In April 2009, a third package was adopted, modifying the second package and pursuing the further liberalization of the internal market for electricity and natural gas (Energy Package 3).

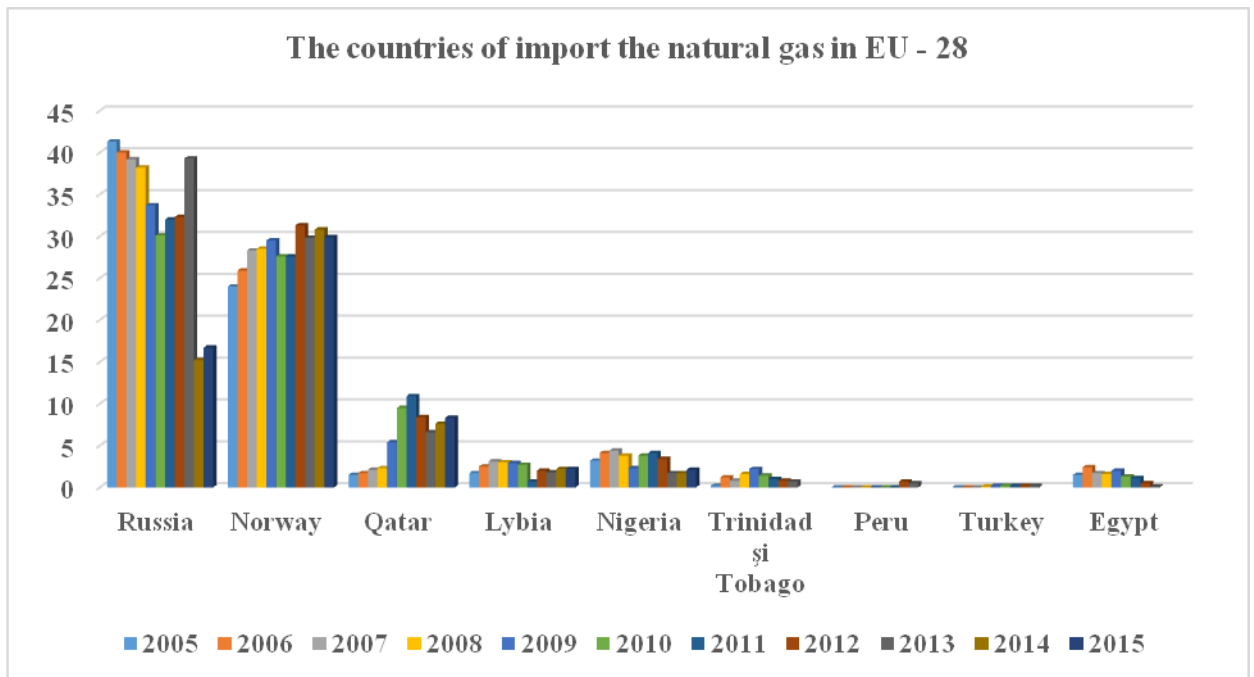
3. Import of natural gas into the EU member countries

At present, natural gas is the second most important fuel in the European Union. The European Commission launched in 2000 its third Green Paper "Towards a European strategy for the security of energy supply". The Green Paper presents worrying data about the dependence on gas imports from sources outside the European Union.

A quarter of the European Union's energy consumption is natural gas, with 58% coming from import. Of this, 42% comes from the Russian Federation. Approximately 80% of European Union gas imports from the Russian Federation pass through Ukraine.

The origin of energy imports into the European Union has changed somewhat in recent years, so Russia has maintained its position as the main gas supplier. Russia's natural gas export to the EU 28 has fallen from 41.8% to 30, 1% between 2005 and 2010, but this trend was reversed with rises that subsequently led to a 39.3% share in 2013. Norway remained the second largest importer of crude oil and natural gas in the European Union by 2014, when it surpassed Russia (Figure 1).

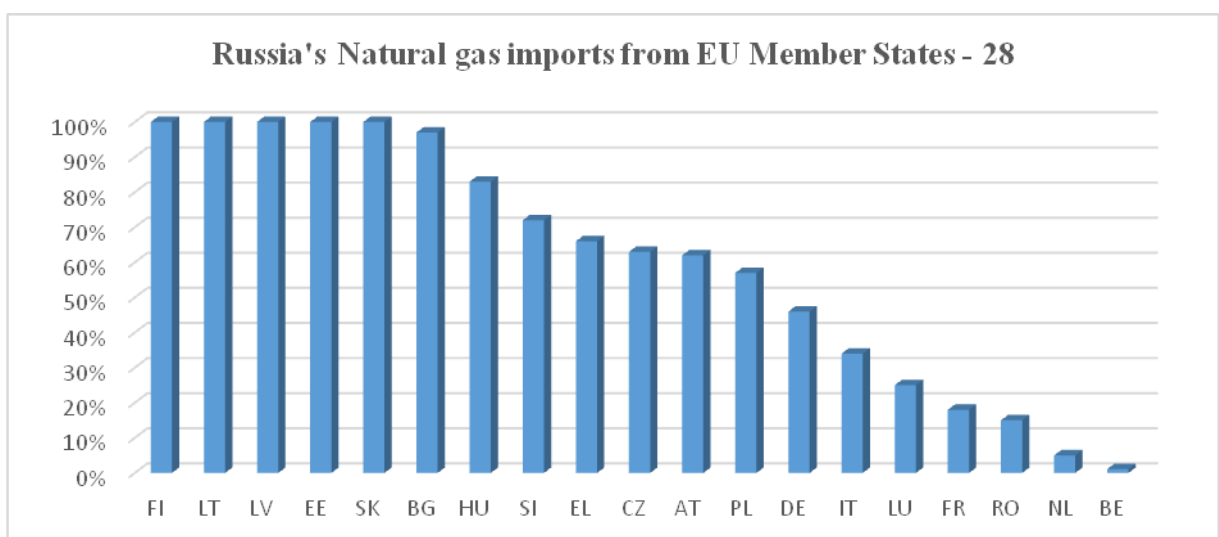
Figure 1: Countries importing natural gas into the European Union (%)



Source: Eurostat

The Member States most dependent on gas imports from Russia account for only 7% of total demand. Latvia, Lithuania, Estonia, Finland and Slovakia are totally dependent on Russia, while Bulgaria, Hungary, Slovenia and Greece are dependent on Russia for more than two-thirds of consumption. These countries are particularly vulnerable to disturbances in the supply of Russian gas (Figure 2). However, their collective need represents only about one-fifth of gas exports from Russia to Europe and the volume is equivalent to one third of the EU's gas stock.

Figure 2: Russia's natural gas imports into the EU - 28 (%)



Source: Eurostat, Eurogas

4. Materials and methods

Competition policy plays a fundamental role in the completion of the Single Internal Market. The removal of trade barriers requires the development and implementation of a new set of transparent rules for regulating competition (Berinde M., 2003)

.In accordance with Article 102 (ex - Article 82) of the Treaty on the Functioning of the European Union (TFEU), it is incompatible with the internal market and prohibited, in so far as it may affect trade between Member States, any abuse by one or more undertakings Of a dominant position on the market or part of it.

Article 102 prohibits abuse of a dominant position, not only its existence. Excessive concentration may favor situations in which an enterprise abuses its dominant position in an unfair manner or on the basis of (very low or very high) prices, marketing conditions or the way they treat consumers.

In 2015, Gazprom hindered competition in the gas supply markets in Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland and Slovakia by imposing territorial restrictions, export bans, destination clauses, pursuing an unfair pricing policy.

The supply of gas to Bulgaria and Poland was conditional on obtaining independent commitments for the South Stream and Yamal gas transmission infrastructure. In 2011, several companies in ten EU Member States opened formal proceedings against Gazprom for possible abuses of the dominant position in the upstream power markets of the Central and Eastern European countries: hindering the free flow of gas to the Member States; has hampered the diversification of gas supply; has imposed on its customers unfair prices.

However, the Russian government, considering the investigation to be both political and commercial, has adopted an executive order prohibiting Gazprom from providing information about its commercial activities.

In accordance with Article 9 of Regulation 1/2003, the European Commission can make commitment decisions. This is a quick way to restore effective market competition. In line with the commitment decisions, the Commission does not have to prove antitrust or impose fines. It expresses its concern and the parties can present their commitments to address these issues. If the Commission, after consulting the market participants, considers that these commitments are sufficient, it shall take a decision that will become legally binding.

In 2016, Gazprom presented its commitment proposal in accordance with Art. 9 of Regulation 1/2003 for a period of eight years.

5. Results and discussions

Commitment is a procedure used in Europe, used in certain situations, to stop an anti-competitive practice and to prevent the emergence of similar practices, offering (re) fast and efficient introduction of competition on the market.

Commitments are usually valid for a certain period of time, but if they are broken, companies may be fined. This is an important step in adopting rules, on the one hand, to protect consumers from abusive practices and, on the other hand, to provide companies with the possibility of a possible recovery of claims.

In this respect, Gazprom has pledged to remove all contractual barriers to the free flow of gas in the central and eastern European gas markets.

Commitments accepted have been monitored for a period determined by the European Commission's decision, verifying that the competition authority or an agent designated for that purpose (Decision 2003/796 / EC) has fulfilled them.

In 2017, the European Commission announced the fulfillment of Gazprom's engagements.

These commitments allow the free movement of gas in Central and Eastern Europe at competitive prices.

During the procedure, the European Commission may, upon request or its own investigation, reopen if irregularities are found.

The starting point of the fine is the percentage of the company's annual sales for the infringement. This is then multiplied by the number of years and months, as long as the violation occurs. Fines can be increased (for example if the crime is repeated) or low (limited involvement). The maximum fine is limited to 10% of the company's total turnover.

6. In conclusion

Achieving a competitive and functioning internal gas market in line with the legislation on the third energy package and the Treaty on the Functioning of the European Union is a very complex process.

Constrained by the Commission, the EU Member States have overcome the slow reluctance to open energy markets and have been restructured, introducing competition to get cheaper natural gas and improving the efficiency of public services.

Competition policy, in line with EU rules, is not an end in itself, but a necessary condition for the internal market. The objective is to allow the establishment of a system to ensure that competition is not distorted within the internal market.

A State which has been engaged in anti-competitive conduct may be subject to fines imposed by the Commission under Regulation 1/2003.

Several companies in ten EU Member States have opened formal proceedings against Gazprom for possible abuses of a dominant position in the gas supply markets of the Central and Eastern European Member States: hindering the free flow of gas in the Member States; Has hampered the diversification of gas supply; Has imposed on its customers unfair prices.

In order to restore effective market competition, the European Commission has approved a commitment decision from Gazprom.

The European Commission has monitored the commitments accepted for a specified period by verifying that the competition authority has fulfilled them. In 2017, the European Commission announced the fulfillment of Gazprom's engagements.

These commitments allow the free movement of gas in Central and Eastern Europe at competitive prices.

The existing legislative framework at European level in the natural gas sector provides regulatory and functioning framework for competition, transparency and consumer protection.

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IMPACT OF TRAINING AND DEVELOPMENT ON EMPLOYEES PERFORMANCE: A STUDY OF HRH GROUP OF HOTELS

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Dr. Dharmesh Motwani²

Abstract

The present research paper aims to study the Impact of Training and Development on Employees Performance of HRH Group of Hotels. To serve the objective descriptive research design is used and primary data is collected from 34 employees with the help of questionnaire. Data is analyzed with the help of frequency distribution and arithmetic mean and it has been concluded that Majority of respondents are satisfied with the training & development program of HRH group

Keywords: Training, Development, Employee Performance

Introduction

The HRH Group

HRH group of hotels is the chain of heritage palace hotels & resorts in Rajasthan. The headquarter is in Udaipur. Presently the group has properties in Udaipur, Kumbhalgarh, Jodhpur, Gajner, Bikaner, Jaisalmer, Ramgarh & Ranakpur . in HRH Group The basic set up is unit wise decentralization with a central reservations department, situated at the corporate office, city palace Udaipur. The units run independently with the front office dep't, F&B productions, F&B service, housekeeping , Accounts, personnel & stores. The central stores are located at Udaipur. The head office of sales & marketing is at Jaipur & the branch offices are at Udaipur, Ahemdabad Delhi, Mumbai, and Ajmer & Bikaner. The HRH group is preserving royal palaces & resorts across Rajasthan & has developed an authentic heritage circuit in the Indian state

Training & Development

Training is the formal and systematic modification of behavior through learning which occurs of education, instruction, development and planned experience while development is a learning activity, which is directed toward future needs rather than present need. It is concerned more than career growth than immediate performance. Development means those learning opportunities designed to help employees to grow. The training & development methods used in HRH group are Job rotation, Classroom training, Workshop, Job instruction and Orientation

Literature Review

According to **Ivana Nestoroska (2014)**, Training of employee in hospitality industry is one of the vital activities of Human resource department so as to meet the ever-changing demand of the guest on various services which are offered to the guests. So as to adhere with the latest trends, demands of the guest. The employee of the hotel should have all the requisite knowledge, skill and attitude should be in place because then only the employee can meet the guest service demand and can satisfy and give a wow experience to the guest as well.

Alima Dutta Roy and Raghuraman (2015), in their paper have tried to lead a view of pivotal role of training and its impact on the employees of the Indian paper Industry. They have also recommended how the training will increase awareness and the various possibilities, which can result in tremendous production in paper industry throughout India

Burcley & Caple (2016) says, when training and development are well managed, they can contribute to the achievement of organizational goals. Training and development play a

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more long-term strategic role directly or indirectly. The direct role is pursued within the context of training and development. In this respect, training and development can move away from focusing on individual skills to a more strategic approach such a leadership, team, and an organizational strategic plan.

Toffler (2016) states that it is not enough to simply assert that training leads to better workers, better workers lead to higher quality work, which leads to higher customer satisfaction, to more loyal customers to higher revenue. Toffler argues that it is important to show the connection between training, improved performance and more profit. Toffler recommends that, one needs to show training skills critical to the organizational objectives, and to focus on the most important of those skills

Objective

The purposes of this research paper are as follow:-

- To identify the factor affecting the conduction & effectiveness of training & development activities.
- To study the Impact of training and development on employees performance

Research Methodology

(a) Research Design: - To have a better understanding about the issue descriptive research design was used. To get the primary data close ended questionnaire was administrated.

(b) Sample Design: - 34 employees were selected through convenience sampling.

(c) Analysis: - The data collected was analyzed with the help of frequency distribution and Arithmetic mean.

Analysis & Interpretations

A. Demographic Profile of Respondents:

1. Maximum numbers (N=31, Percentage = 91.18) of respondents were male and rest 8.82% respondents (N=3) were female

2. In terms of age majority of respondents (N=29, Percentage=85.29) belong to the age group of 20 - 40 years followed by 14.71 % respondents who belong to the age group of 40 to 60 years. No respondents were from age category of below 20 years and above 60 years age group.

3. It has been observed that 58.82% respondents (N=20) were from urban area and rest 41.18% respondents (N=14) are residing in rural area

4. Maximum number of respondents (N=24, Percentage=64.71%) belongs to Middle level management followed by 23.53% respondents (N=8) who are the part of lower level management. 11.76% respondents (N=4) are from Upper level management.

5. Maximum number of respondents (N=19, Percentage=55.88%) are having working experience of less than 1-5 years followed by 32.35% respondents (N=11) who have experience of 6 to 10 years. 8.82% respondents (N=3) are having experience of above 10 years and rest respondents (N=1, Percentage=2.94%) have experience of less than 1 years.

B. Training Profile of Respondents

1. Majority of respondents (N=23, Percentage= 67.65) indicated they attended training program in last 6 to 12 month followed by 32.35% respondents (N=11) who said that they attended training program in last 6 months.

2. For maximum number of respondents (N=31, Percentage=91.18%) training was made compulsory & 8.82% respondents (N=3) indicated that they were selected by the Supervisor recommendations.

3. It has been observed that mostly used training techniques are case study (N=34, Percentage=100), Lecture & Discussion (N=33, Percentage = 97.06), Apprentice training (

N = 33, Percentage = 97.06) & Readings, Workbooks, Correspondence courses (N=31, Percentage = 91.17)

C. Factors influencing the Conduction & effectiveness of training & development activities

Respondents were asked that how much the various factors affects the Conduction & effectiveness of training & development activities on 5 point scale ranging from 5 (Highly Influential) to 1 (Not at all Influential). The final result is obtained with the help arithmetic mean and results are presented in table 1

Table 1: Factors influencing the Conduction & effectiveness

Attributes	Mean Score	Level of Influence
Mgt. support	4.35	Extremely influential
Legitimate training needs	4.47	Extremely influential
Effective & experienced trainer	3.89	Moderately influential
Learning objective	4.5	Extremely influential
Learner ability & motivation	4.35	Extremely influential
Learner readiness	4.32	Extremely influential
Learner emotional investment	3.69	Moderately influential
In-class practice	4.53	Extremely influential
Out-of class practice	4.47	Extremely influential
Appropriate learning environment	4.5	Extremely influential
Financial resources	2.79	Somewhat influential

The factors which extremely influence the training & development activities are In class practice (Mean Score 4.53) & legitimate training needs (Mean Score 4.47), Out of class practice (Mean Score 4.47), Management support (Mean Score 4.35), Learner ability & motivation (Mean Score4.35), Learner readiness (Mean Score 4.32), Learner objective (Mean Score 4.5), and appropriate learning environment (Mean Score 4.5) . Effective & experienced trainer (Mean Score 3.89) and learner emotional investment (Mean Score 3.69), moderately influence the training & development activities while financial resources (Mean Score 2.79) somewhat affects the training & development activities

D. Impact of training & Development on Employee's Performance

Respondents were asked to mark their opinion for the statements related to Impact of Training & Development of Employee's Performance on 5 point scale starting from 5 (Strongly Agree) to 1 (Strongly Disagree). The final result is obtained with the help arithmetic mean and results are presented in table 2

Table 2: Impact of training & Development on Employee's Performance

Attributes	Mean Score	Level of Agreement
Employees enhancement come through Training & Development	4.35	Strongly Agree
Training and Development brings positive attitude in employees	4.11	Agree
Training and development increase job knowledge of employees	4.41	Strongly Agree
Training and development teach the technique of performing a job to employees	4.5	Strongly Agree

Attributes	Mean Score	Level of Agreement
Competency level of employees increases due to T&D	3.79	Agree
Training and development boost up the morale of the employees	4.32	Strongly Agree
Training and development reduce the stress of the employees	4.24	Strongly Agree
T&D enhance the performance and of the employees as well as of the organization	4.53	Strongly Agree
T&D reduce consumption of time and cost and increase performance	4.47	Strongly Agree
Training and development promote successful succession planning	4.5	Strongly Agree
Training improves the performance of employees and gives more job security	4.38	Strongly Agree
Training increases employee confidence when performing work related task after training	3.69	Agree

It can be seen that respondents have shown agreement or strong agreement with all the statements which shows the positive impact of training & development activities on employees performance. It can be concluded that training & development activities enhances the job knowledge, competency level & performance of the employees.

Conclusions

From this research following conclusions are drawn:-

1. In HRH group the mostly used training techniques are case study Lecture & Discussion, Apprentice training & Readings, Workbooks, Correspondence courses
2. The factors which extremely influence the training & development activities are In class practice & legitimate training needs, Out of class practice, Management support, Learner ability & motivation, Learner readiness, Learner objective, and appropriate learning environment . Effective & experienced trainer and learner emotional investment, moderately influence the training & development activities while financial resources somewhat affects the training & development activities.
3. All the respondents said that they realized the impact of training on their skills Results show the positive impact of training & development activities on employees' performance. It can be concluded that training & development activities enhances the job knowledge, competency level & performance of the employees..

References:

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