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Editors:

Matjaz Skabar, prof. Dean of the ERUDIO Center for Higher -
editor@iiass.com

Nataša Pržulj, prof. at Imperial College London (UK)
natasha@imperial.ac.uk

Uros Pinteric, prof. Faculty of Social Sciences, University of SS. Cyril
and Methodius Trnava (Slovakia) uros.pinteric@gmail.com

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Language editor: M.A. Tanja Kovacic

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PUPIL'S STATUS IN PRIMARY SCHOOL AND BULLYING

Jurka Lepičnik Vodopivec¹, Blaž Teršek²

| 6

Abstract

Many relationships are established among pupils in the classroom. Bullying is a complex phenomenon that requires attention and active participation of all professional workers due to its negative impact. The most important factor in increasing the frequency of bullying is a pupil's status. The main goal of our research is to identify the relationship between the pupil's status and the frequency in the role of bullying. The sample represents 65 pupils from two primary schools. We have distributed questionnaire, which have had contain a sociometric test and the questionnaire School Bullying Scales. When processing the data, we used descriptive statistics: Kruskal-Wallis test, Eta correlation coefficient and Cronbach coefficient of reliability. We have found that the neglected, rejected and controversial pupils were more in the role of the bystanders and the victim. The findings have shown that there is a relationship between the pupil's status and the frequency in the role of the bystanders and the victim. Our findings cannot be generalized, but they give further research guidelines with the purpose of reducing bullying.

Keywords: role, connection and prevention of bullying.

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Introduction

In life, everyone is involved in various social systems and environments in which they live and work. Individuals in a particular environment can influence us differently directly or indirectly with their behaviour, which was also established by Bronfenbrenner (1979) in his bioecological theory of development. In it, Bronfenbrenner classified social environments in several concentric circles, where the environments in the inner concentric circles have a more direct impact on the individual.

¹ Prof. dr. Jurka Lepičnik Vodopivec, is full professor and Researcher, University of Primorska Faculty of Education, Koper, Slovenija (jurka.lepicnik@pef.upr.si).

² Blaž Teršek, mag. prof. inkluz. ped., is an educator at Primary School Glazija Celje, Koper, Slovenia (blaz.tersek@gmail.com).

The social environments that have the greatest direct impact on the pupil in primary school are family, school, class, peer group.

In his bioecological theory of development, Bronfenbrenner explained that the values, laws and ideologies of the society in which the pupil lives are indirectly affecting him/her and his/her behavior. Various documents, for example The Universal Declaration of Human Rights (Splošna deklaracija o človekovih pravicah, 1948), The Convention on the Rights of the Child (Vojnovič, Otavnik and Pleško, 2009), The White Paper on Education (Bela knjiga o vzgoji in izobraževanju v Republiki Sloveniji, 2011), have helped us set an important value: respecting and accepting diversity among individuals. Accepting and respecting diversity leads us to an inclusive society based on inclusion, seen by UNESCO (2005) as a process where diversity among people is not shown as a problem, but as an opportunity for learning.

By adhering to The Act on the Guidance of Children with Special Needs (Uradni list Republike Slovenije, 2011), pupils with special needs are included in the regular classes of primary schools; therefore, relations among normative pupils and pupils with special needs are established, and they may differ in quantity and quality - some pupils with special needs are accepted and others can be rejected. The work of professional staff in school aims to ensure the success of all pupils. The pupil will be able to achieve the most in a safe and stimulating environment; therefore it is important to create a stimulating (learning) environment and a positive climate in the classroom.

Ladd, Kochenderfer-Ladd, Visconti and Ettekal (2012) note that in the classroom there are three types of relationships: friendship, acceptance or rejection by the peer group, and bullying.

Friendship is a voluntary, intimate and dynamic relationship (Košir, 2011) based on trust and cooperation between two or more individuals (Košir, 2011; Peklaj and Pečjak, 2015; Gifford Smith and Brownell, 2003). Friendship is not always the same but it is changing and developing in parallel with social, emotional and cognitive development and the development of social cognition (Marjanovič Umek and Zupančič, 2009). At preschool age, a friend is someone who plays with you or has a nice toy, while to a pupil, a friend is a person who they can trust, understand and talk to him about their problems and emotions (Commonwealth of Australia, 2013).

The group of pupils represents a group of children with similar characteristics, which experts call homophilia. Two processes, crucial to homophony, are socialization and selection (Ryan, 2001, in Košir, 2011). Peers have both a negative and a positive influence, which depends on the peer group. Peer influence is a reciprocal process as pupils influence their peers and are at the same time under their influence (Košir, 2013).

Asher, Singleton, Tinsley and Himmel (1979, in Peklaj and Pečjak, 2015) define social (non) acceptance as a relative status of a pupil in a peer group, which is determined by the degree of popularity or unpopularity of other members of the group.

Bullying is a relationship that, due to its negative impacts on the environment and the consequences on all participants, requires the attention and responsible behaviour of all adults, so we decided to discuss it in greater detail.

Sullivan (2011) argues that schools have a wrong belief that there is no bullying in their institution. Many schools are "afraid" of condemnation of the existence and occurrence of bullying by the narrower and wider society, since violence is still a taboo topic. The first step towards reducing the occurrence of bullying is recognizing that bullying exists in our schools. On the basis of this recognition, we can continue with our planned and structured approach to raising the public's awareness regarding bullying, prevention and implementation of measures to handle bullying.

Bullying in schools is not a new occurrence; it has been present for a long time. School-bullying research began in Scandinavia, where Heinemann (1972, in Salmivalli, 2010), supplemented by Olweus (1986, in 1995), defined bullying as repetitive aggressive actions of pupils or groups of pupils toward an individual or group over a longer period of time. Rigby (2002) adds that there is an imbalance in power between pupils who commit violence (the bully), and pupils who are victims of violence (the victim).

Bullying occurs on all people in the environment, which have become bystanders. Role of bystander is not a unified, but it differs by participation in bullying. Some bystanders become defenders of victims, while others bystanders support bullying and become a bully. About it notes Rigby (2002), Pečjak (2014), Seifert and Kohl (2011), Sutton and Smith (1999, in Pečjak, 2014).

Bystanders are the key for programs for prevention of bullying: KiVa programs (Salmivalli, Kärnä and Poskiparta, 2011), Olweus prevention program for the prevention of bullying (Olweus, 1995), Sullivan's preventive program for the prevention of bullying (Sullivan, 2011), The Network of Learning Schools: Strategies for the Prevention of Violence (Lešnik Mugnaioni, 2005).

Bullying not only has negative consequences on victims but also on all participants. Furthermore, the negative consequences of bullying are not just short-term but can affect the quality of life of an individual. Many studies (Bilić, Buljan Flander and Hrpka, 2012; Krkeljić; Gini and Pozzoli, 2013; Espelage, 2014; Geel, Vedder and Tanilon, 2014) have shown that pupils who were victims of bullying more often experienced headaches, stomach pain, feeling of inferiority, depression, anxiety,

learning difficulties, low self-esteem, drop in school success and motivation to attend school, and in worse case also suicide attempts and even suicides. What is more, pupils who are more often violent can feel the apparent power which can later on in adolescence and adulthood cause behaviour that leads to delinquency and criminal acts, according to an Australian expert Rigby (2007).

During the planning process of a preventive program for the prevention of bullying in schools, Klemenčič, Jerina, Karajić, Kuhar and Molan (2016) formulated four phases with several levels, whereby schools set up a school policy against bullying by integrating values and educational principles into the educational plan of the school, examining the bullying issue through various questionnaires, training all participants in bullying, designing and planning preventive activities.

The basis for preventing bullying is to work with everyone involved in bullying. Experts working on bullying should design work with the victim, the bullies and the bystanders. Of vital importance in raising awareness about the problem and the negative consequences of bullying is not only in working in schools, but it is also important for comprehensive preventive action in connection with bullying to work with pupils as well as with parents and consequently narrower and wider public, which is emphasized by various experts, e.g. Handbook "Violence among Children and Youth" (Savjetovalište "Luka Ritz", 2013), Pečjak (2014), Lešnik Mugnaloni, Koren, Logaj and Brejc (2009). Posnič and Košir (2016) underline the importance of actively addressing bullying by teachers, especially in the area of relational bullying. They also found that teachers are less likely to notice bullying at school than pupils, which is based on the fact that bullying more often occurs during the absence of the teacher.

Cvek and Pšunder (2013) emphasized the importance of holistic approach to bullying in their research, which found that setting a good example by employees in educational institutions and parents at home, along with their efforts to reducing and preventing bullying is contributing to reducing the phenomenon of bullying.

Bacallao and Smokowski (2010: 121) have studied the link between the weaker status of the pupil in class and the more frequent involvement in bullying. They have found that all sociometric groups have risk factors, protective factors and the connection with bullying, which will be shown in the following table.

Table 1: Link between the pupil's status in the classroom and bullying

	Risk factors	Protective factors	Connection with bullying
Popular	In order to protect their reputation, they use the reputation for negative purposes (exclusion other from the group, etc.).	Prosocial behaviour, respect for authority and rules, involvement in peer interaction. Higher level of development of social skills and knowledge.	Bystanders of bullying. Under peer pressure, they are involved in bullying.
Average	They feel the need to protect the relationships that they have. They can look for more popularity. There is fear of worsening the situation.	Peer support has little impact on social skills.	Bystanders of bullying. They do not intervene due to fear of being bullied.
Controversial	Disruptive, aggressive behaviour. There is a possibility that friends are also controversial.	They have managerial skills, they can have friends.	They can become bullies/victims. When they are victims, they search for the weaker individuals to bully. They can be involved in relational bullying.
Neglected	Loners, they prefer to play independently. They are rarely communicative. Weaker social skills.	They do not have to be lonely; they can have one or two reliable friends. They can be sensitive, creative and unusual.	High risk of becoming victims of bullying. Easy targets due to the less-anticipated resistance of the victim.

	Risk factors	Protective factors	Connection with bullying
Rejected	Lack of social skills, inappropriate behaviour, anxiety, hyperactivity, aggression.	There are two types of rejected individuals. The first are those who solve problems by retreating and hiding. The second ones have older friends who exhibit criminal or deviant behaviour.	Two types as well. The former are burdened with violence and humiliation: light targets and often victims. The latter lean towards being bullies.

Summarized by Bacallao and Smokowski (2010: 121)

Methodology

The subject of our study is to determine the correlation between the pupil's status in the class and the phenomenon of bullying.

In the course of the study, we focused on determining the differences between pupils with different positions in the classroom and the sum of points in the role of the bystanders, the victim and the bully, and determining the correlation of the pupil's status in the classroom and the sum of points in roles in bullying.

The study involved 65 pupils from two selected primary schools in May 2017 and June 2018, whereby only pupils with assigned sociometric status were included in the research of differences and commonalities in the roles of the bystander, the victim and the bully.

Sociometric status is the most commonly used term and indicator of a position in a group. It is defined by two approaches, the first one being the place or the position of the pupil in the group determined by the members of the group with their positive and negative choices (Peklaj and Pečjak, 2015).

The second approach defines sociometric status as reputation, prestige and respect by classmates, which is related to the position or role of the pupil, which it has in the group (Pečjak and Košir, 2002).

The data were collected using a sociometric test, whereby we acquired the pupil's status on the basis of a two-dimensional sociometric classification, taking into account the social impact (visibility) and social preference (pleasure) using a positive and negative sociometric criterion, a questionnaire containing data on the class visited by the pupils, and

the status of a pupil with special needs, as well as the School Bullying Scales, Cheng et al. 2011, in Pečjak, 2014, 148-150.

The School Bullying Scales (Pečjak, 2014) is a self-evaluating instrument measuring four types of bullying in school. These are: verbal, physical, relational bullying and cyberbullying from the point of view of the bystander, the victim and the bully. Pupils respond to the items on a five-point scale (never, once or twice, twice or three times a month, once a week, several times a week) about the frequency of violence over a period of six months. We evaluate the rank by adding points in every section for each type of bullying, as shown in the table below (Pečjak, 2014, 87).

Table 2: Evaluation of data in the scale of bullying in school

	first part – the bystander	second part - the victim	third part - the bully
Verbal bullying	1, 3, 5, 8, 10	1, 3, 6, 7, 10	1, 4, 5, 9, 14
Physical bullying	2, 4, 9, 13, 16	4, 8, 13, 14	2, 3, 10, 11, 15
Relation bullying	6, 11, 15	5, 11	6, 8, 12
Cyberbullying	7, 12, 14	2, 9, 12	7, 13

Summarized by Pečjak (2014: 87).

Data obtained through sociometric testing were processed in Excel. Pupils were assigned their status in the classroom. The obtained data were entered into the statistical data processing program (SPSS 22.0).

In the data processing we used descriptive (frequencies and structural percentages) and inferential (Kruskal-Wallis H test for differences between pupils with different class status, the Eta correlation coefficient (η) for determining the relationship between the nominal and the numerical variable, and the Cronbach α -coefficient for checking the reliability of the measurement instrument) statistics.

In the study, using the Cronbach α -coefficient for reliability verification, the reliability of the entire questionnaire was excellent ($\alpha = 0.935$). Reliability was also checked by sets or roles. Reliability was also excellent in the role of the bystanders ($\alpha = 0.896$) and the role of the victim ($\alpha = 0.887$), while the reliability was moderate ($\alpha = 0.783$) for the role of the bully.

Table 3 below shows the number of pupils with a particular status in class.

Table 3: Number (f) and structural percentages (f %) of pupils according to the pupil's status in the class

Pupil's status in class	f	f%
Average	15	23.1
Neglected	3	4.6
Controversial	1	1.5
Rejected	3	4.6
Popular	8	12.3
Together	30	46.2
Missing	35	53.8
Together	65	100

We find that the sample contained the highest percentage of average pupils (23.1%), followed by popular pupils (12.3%), while the lowest percentage are controversial pupils (1.5%). We also note that a large proportion of pupils (53.8%) do not have an assigned status in the class since we did not acquire enough consents and data in the classroom for sociometric testing.

Results and discussion

In the study, we were interested in whether there are statistically significant differences between pupils in frequency in the role of a bystander, a victim and a bully, according to the pupil's status in the class. In a given group, pupils had a number of claims where pupils assessed their frequency in the last six months. We estimated the pupils' grades and got a certain amount of points. Higher values in a single set are more typical representatives of each role in relation to bullying.

We have found that there are statistically significant differences between pupils in terms of the pupil's status in the classroom regarding the role of the bystander and the victim. On the other hand, no differences occur in the role of the bully, as shown in the table below.

Table 4: The result of the Kruskal-Wallis test to check differences according to the pupil's status in the classroom

	The pupil's status	n	<u>R</u>	H	P
Bystander	Average	15	12,30	10.09	0.039
	Controversial	1	22,50		
	Popular	8	13,50		
	Neglected	3	25.83		
	Rejected	3	24.17		
Victim	Average	15	13,10	12,412	0.015
	Controversial	1	27,50		
	Popular	8	11.31		
	Neglected	3	22.83		
	Rejected	3	27.33		
Bully	Average	15	15.60	3,419	0,490
	Controversial	1	4.50		
	Popular	8	14.44		
	Neglected	3	22,00		
	Rejected	3	15,00		

The results of the Kruskal-Wallis reveal that, depending on the pupil's status in the class, there are statistically significant differences between the pupils in the role of the bystander and the victim.

We found that pupils with a disadvantaged status are more likely to witness bullying, as neglected and rejected pupils have a higher average of ranks than popular and average pupils. Regarding the pupil's status in the class, we also notice statistically significant differences also within the victim of bullying, as pupils with a worse status in the class had higher average ranks. The results show that pupils with a disadvantaged status in the class, ie. rejected, neglected and controversial pupils are more likely to witness and also experience bullying. Moreover, Bacallao and Smokowski (2010) found that pupils with a less favorable status in the class are more likely to be victims of bullying. Neglected pupils become victims of bullying due to a poorer status in the classroom, as they represent "easy targets" for bullying. Rejected pupils may become victims or violent of bullying.

Bacallao and Smokowski (2010) discovered that overlooked pupils are usually loners or have one or two loyal friends. They are characterized by lower social skills, and are therefore more often victims of bullying.

When it comes to prevention and reduction of bullying, professional workers can prepare various activities that can improve the pupil's status in the classroom for pupils with poor social skills, neglected and rejected pupils. These activities are, for example, social games, training of social

skills, activities in the area of experiential pedagogy. By planning and implementing activities, however, employees in educational institutions have a direct impact on pupils, which was also stressed by Bronfenbrenner (1979, Rhodes, 2013, in Naeem, 2013). Bioecological theory of pupil development states that professional workers employed in school have the power and influence on the formulation of school policy in the prevention and reduction of bullying in schools (Klemenčič, Jerina, Karajić, Kuhar and Molan, 2016).

By creating a program for preventing and reducing bullying in schools, bystanders of bullying (popular, overlooked, average, controversial and rejected pupils) are aware of the zero tolerance policy regarding bullying in schools and we encourage them to condemn bullying and to talk about bullying without fear or peer pressure. The average pupils are afraid to talk about bullying, fearing the same thing may happen to them, which Bacallao and Smokowski (2010) also pointed out.

We were also interested to find out whether there is a connection between the pupil's status and the sum of points in the role of a bystander, a victim, and a bully.

Table 5: Coefficient of coherence of Eta in the sum of points in the role of a bystander, victim and a bully in the event of bullying

	The sum of points of the bystander in the event of bullying
Eta	0.628
	The sum of points of the victim in the event of bullying
Eta	0.775
	The sum of points of the bully in the event of bullying
Eta	0.331

The Eta correlation coefficient reveals that between the pupil's status and the total sum of the points of the bystander, there is a strong connection ($\eta = 0.628$). This tells us that pupils with a worse status in the class had higher average ranks, and, consequently, they were more often in the role of bystander in the event bullying. We also found a strong connection ($\eta = 0.705$) regarding the sum of the points in the victim's category among the pupils according to the status of the pupil in the class. Bacallao and Smokowski (2010) also find that neglected and rejected pupils more often appear in the role of the victim than popular

pupils. Concerning controversial pupils, they stand behind the thesis that these pupils can occupy the role of the victim and the role of the bully at the same time. When pupils appear in the role of the victim, they seek out weaker pupils and carry out bullying. In the role of the bully, we have found that there is a weak connection between the pupil's status and the sum of points ($\eta = 0.331$), which means that it is not necessary that pupils with a worse status in the class have higher sums of points in the role of a bully.

Conclusion

Bullying in schools is a big issue of modern education because schools do not want or do not dare acknowledge that bullying exists in their institution. It is in the interest of each school that the public sees it as a place where bullying does not exist because soon as the existence of bullying is acknowledged, the school may be labeled as a place of violence, which shows the school in a bad light.

Based on our research, we find that bullying is a problem, so it is necessary to treat bullying with all seriousness. Working with pupils and parents is not enough; the public has to be included as well. The public and the media often label schools as "violent schools", "schools where violence occurs", where "bullying has erupted again". But as society as a whole, we do not realize that this problem may lead to extreme cases of bullying. We estimate that the media and ourselves are putting the "pressure" on primary schools to be safe and bullying-free.

At the end of the day, we wonder whether it is more important what image a school projects, or what the relationships between pupils, teachers and parents are. We do not have the answer to this question, but we can be certain that if we wish to reduce bullying, we, as a society, need to be aware that bullying in schools exists.

The topics discussed, such as the status of the pupil in the classroom and bullying, are two important components in the school sphere. As part of the inclusive paradigm which becomes the imperative of modern education, we have the desire and the vision that everyone should be included in the class. Not only involved, but accepted. This can only happen if we set a good example. Adults who are close to pupils are role models to pupils. With this way of thinking, we will strive to achieve respect of diversity among pupils and create activities that will improve the situation of the pupil and reduce bullying.

The findings and results of the research will not be generalized to the whole school sphere, but they undoubtedly warn us about the possible connection of the disadvantaged pupil with a greater presence in the role of bullying. In further research, a pattern of pupils would be used to identify the links in order to use the processed data to use activities to

improve the pupil's status in the classroom for the purpose of preventing and reducing bullying.

Resources

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POSSIBILITIES FOR THE MEASUREMENT OF THE INTELLECTUAL CAPITAL ON CASE OF COMPANY GORENJE D.D.

Rosmery Idina Mendez¹, Mateja Gorenc²

Abstract

In the article the importance of the measurement of the Intellectual capital in companies is presented. Article describe different methods of measurement. Later are used two groups of methods, market capitalization method with Tobin's Q and measuring of Intellectual capital with Value-added intellectual capital coefficient (VAIC) in company Gorenje d.d. for the business years 2015-17. After calculation of Intellectual capital by upper methods, conclusion is that VAIC method is the most appropriate method for the measurement of Intellectual Capital in company Gorenje d.d.. Method base on exact data of Balances and financial statements and is applicable on all levels in organization and give to company managers possibility for the right decisions for improvements and long run profitability.

Key words: direct Intellectual Capital Methods, return on Assets Methods, scorecard Methods, market Capitalization Methods

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Introduction

In the last decades we are witnessing fast technological advances. Innovations have accelerated and become an increasingly important driver of performance of leading companies. In accordance with this research problem is how to estimate influence of intellectual Capital in company in Knowledge based environment. To estimate how much influence intellectual Capital (IC) on company value have, we need to measure it. Peter F. Drucker said, that you cannot manage what you cannot measure. And managing the IC become very important for company long run prosperity. Therefore, research subject is then to find possibility of most suitable measuring, evaluation model, which will give

¹ Rosmery Idina Mendez is a Master's student at at the Faculty of Business and Technology, University of Nova Gorica, Slovenia (rosmery.idina@gmail.com)

² PhD Mateja Gorenc, College of Accounting and Finance, Ljubljana, Slovenia (mateja.gorenc@gmail.com)

answers how change of intellectual capital influence on successful business in company. Both, research subject and problem are concerning the research object, intellectual capital in company. Base on all three we can form scientific hypothesis: In today high technological world only evaluated intellectual capital give possibilities to Management for right decisions and thus long run profitability.

Different authors have different views on definition of IC, however there is common concept, that the IC means intangible value of business of the company. It is sum of everything what employees intellectually create, as inventions, knowledge with know-how, procedures and processes, organization in company, brands and could means competitive advantage in the market.

In generally: The most widely used definition of intellectual capital is "knowledge that is of value to an organization." Its main elements are human capital, which is represented by employees with their knowledge, skills, behaviour, abilities, structural (internal) capital with organizations ability, procedures, programs, infrastructure for human capital, and customer (external) capital, which means relations between company and buyers, suppliers and business partners, stakeholders. That definition suggests that the management of knowledge (the sum of what is known) creates intellectual capital. Bontis,N. (1996). Figure 1 show components of Intellectual Capital. Chen et al. (2004).

Measuring and reporting improving internal performance of the organization, but managerial control is not always well accepted, especially if we don't clearly explain to the employees the purpose and outcome of the measurements, that this is more learning then controlling.

Accuracy measurement and valuation of IC is important for banks when company needs loans, investment bankers, private equity funds, in case of merging and acquisitions, then for tax authorities, for auditing purposes, also in cases of arbitrary when business owners are going apart. Valuation is needed in number of businesses like:

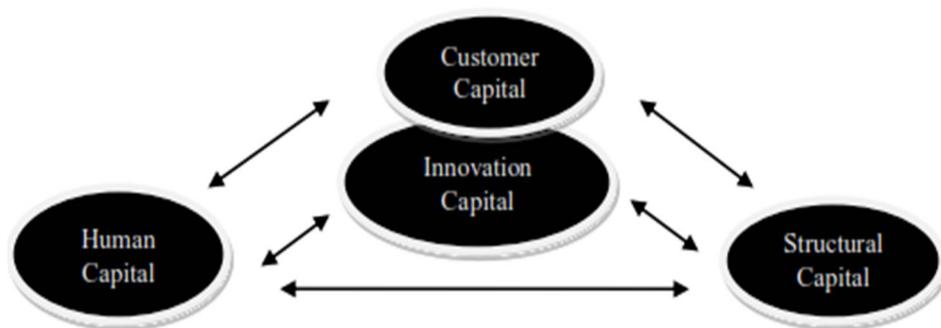
- In a sale, merger, joint venture and other case alike;
- when we are licensing IK
- In a situation when business partners going apart
- litigations
- company goes bankruptcy
- For planning purposes

The field of measuring or evaluation of IC is not unique settled in the world nor in Slovenian companies, although the matter is somehow covered with International accountancy standards. International Accounting Standard (IAS) 38 on intangible assets and International Financial Reporting Standard (IFRS) 3 have some possibilities and also limitations. The main problem is, that classical accountancy statements are useless, when costs of inputs are not connected with output costs. Accountancy came with industrial revolution when only machines had meaning for companies. When we have a knowledge economy, based on Intellectual capital on input, we don't know for sure future value, because inventions could be successful in future or not. For that reason, we have to show them separated.

In praxis we have many methods, which could be more or less suitable for our case.

I will shortly describe main of them and try to vague which model could be more accurate for measuring and evaluation of the intellectual capital in case of company Gorenje, Slovenia.

Figure 1: Components of Intellectual Capital



Source: Chen et al. (2004)

Methods

Increasing of the stock prices value of companies could not be explained by traditional balance sheet. Academics, consultants and practitioners developed a substantial number of intellectual capital measurement and reporting models developed for different companies or branches specifics and different criteria. Unfortunately, thus is not consistency between them. Compiled by Ramanauskaitė et al., 2013; according to Engström et al., 2003; Lev et al., 2003; Müller, 2004; Wall et al., 2004; Sitar et al., 2004; Westnes, 2005; Vaškeliėnė, 2006; Kok, 2007; Pukeliėnė et al., 2007; Vaškeliėnė, 2007; Jurczak, 2008; Kuzmina, 2008;

Sveiby, 2010; Znakovaitė et al., 2010; Salman et al., 2012., there are in general, four the most used groups of methods:

Direct Intellectual Capital Methods – DICM base on the evaluation of intellectual capital in monetary units by identifying the specific components or elements (e.g., Technology broker–IC audit, Total value creation, The value explorer, Citation-weighted patents, Accounting for the future, etc.)

Return on Assets Methods - ROA base on pre-tax average income versus average capital unit calculation. Afterwards, the obtained result is compared with the average value of the industry branch, and the result is treated as the average of return on intellectual capital. Part of these methods are based on discounted cash flow calculation and do not avoid some errors (e.g., CIV, EVA, VAIC, Knowledge capital earning, etc.)

Scorecard Methods – SC base Based on identification of various components of intellectual capital and attribution of specific indicators or indices to measure these components. The difference from the first type lies in the fact that this type does not seek evaluation in monetary units (e.g., Skandia navigator, IC index, Intangible assets monitor, etc.)

Market Capitalization Methods – MCM Based on the calculation of the difference between the market value of an enterprise and its assets, which is equaled to the value of intellectual capital. These methods are hard to apply in non-profit entities or enterprises of the public sector (e.g., market to book values, Tobin's q, Investor 's assigned market value, etc.)

As we see, there is a lot of different method for measurement and evaluation of IC and they aren't support each other. Field is not standardized and seems that the hardest part, practically state of art, is to choose appropriate, accurate method which will be also well accepted by managers, employees and also helpful at their long-term business decisions for added value creation. It is up to company alone which method will use in order to get the most adequate measuring results.

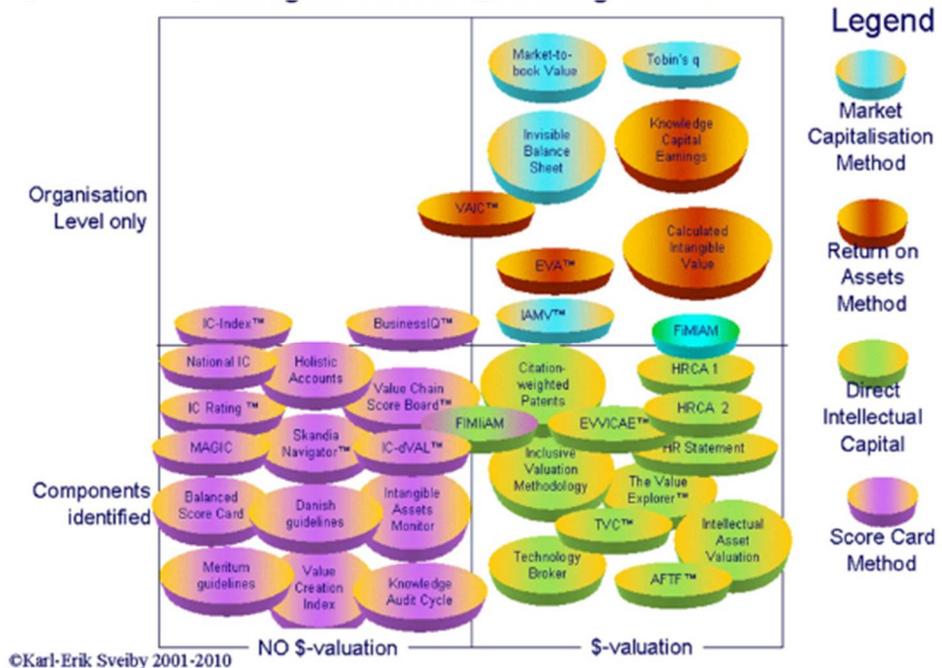
Each method is useful for different purpose or situation and gives certain advantage. For instance, the methods useful in merger and acquisitions, and stock market valuations, being calculate in money valuations like MCM and ROA. We can use them also to compare companies inside same industry and to express the financial value of Intangible assets and at the same time they are accountable, following accounting rules. They have also disadvantage, showing all in money terms, make them also doubtful. Furthermore, the ROA methods are very sensitive to interest rate and discounting rate assumptions. Problem is also that the methods

are measuring on organizational level only and therefore not of much use for managerial purposes externally. Some of them, specially MCM methods, are not useful for internal departments, non-profit and public companies.

The advantages of the DIS and SC methods are that they can create a more complete view into organization condition and out of financial measurement more applicable in the organization levels. Therefore, they are much more useful for internal departments, non-profit and public organizations. The bad side is that these new methods are organizational tailored for each organization and thus is practically impossible to compare with other organizations. More holistic we study the matter, more data we generate and this can blur our analysis and their results could be questionable and hard to interpret.

Figure 2 shows Intellectual capital measuring models by Karl-Erik Sveiby. (2001-2010)

Figure 2: Intangible Assets Measuring Models



Source: Sveiby 2001-updated2010

Results

Measuring of the intellectual capital by market capitalization method (MCM).

This method is one of the simplest and evaluates intellectual capital based on a difference between market capitalization (the number of issued shares, multiplied by market share value and book value (net value of company assets). Method it just means that accounting value is not a very good measure of the economic value of a company. The economic value of a company is determined by how much money it will make in the future, not what assets it bought in the past. Problem of this method is that market value of the company depends of variety factors, which influent on different way on companies' assets. Also, tangible assets are in many cases under evaluated and then the difference in reality is not so big, as is showed.

Failures of the method try to overcomes method Tobin's Q. The Q is the ratio of the company market value to the replacement cons of its assets.

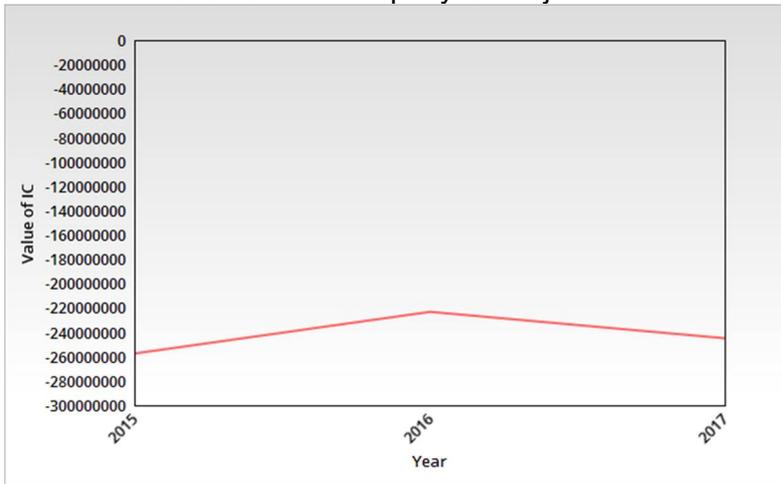
Advance in technology and human capital assets usually are connected with high Q values. In that case Q should be growing in trend. If not, company will make higher returns on investments. Using replacement value of assets rather than book value in principle makes this method more accurate. Anyway, Tobin's q is more accurate than the market to book method, however, finding these replacement costs is not so easy as using balance sheet values. From that reason, according to Edvinsson (1997) we can use simply book value.

Table 1: Calculation of Intellectual capital by method Market and book value and method Tobin's Q for company Gorenje d.d.

Company Gorenje d.d.	2015	2016	2017
Number of shares in trading	24.424.613	24.424.613	24.424.613
Market value of share in EUR (last trading day in year)	4,60	6,00	5,10
Book share value in EUR	15,14	15,14	15,13
Market value of the company in EUR	112.353.220	146.547.678	124.565.526
Book value of the company in EUR	369.788.641	369.788.641	369.544.395
Intellect. Capital = Market – Book Value	-257.435.421	-223.240.963	-244.978.869
Tobin's Q = Market / Book Value	0,30	0,40	0,34

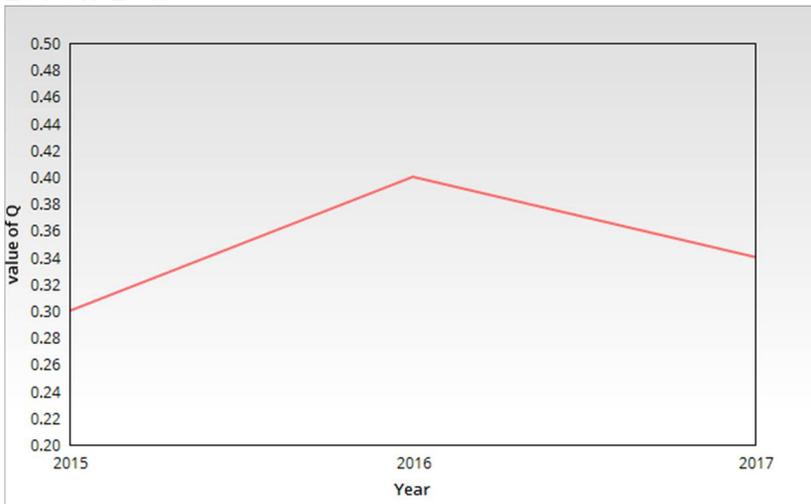
Source: Yearly report of company Gorenje, 2015, 2016, 2017

Figure 3: movement of intellectual capital by the method of market and book value 2015-2017 in company Gorenje d.d.



Source: Figure 3 author made on data from Table 1

Figure 4: movement of coefficient Tobin's Q in company Gorenje d.d. in 2015 to 2017



Source: Figure 4 author made on data in from Table 1

In our case we can observe from figure 4, that Tobin's Q was in all three years smaller than 1. Market value was significantly lower than the book value. Such investment is not profitable. But is also true, that is reality of the market value questionable. This also showing need for strategic partnership with another high-tech company, which would change such a trend.

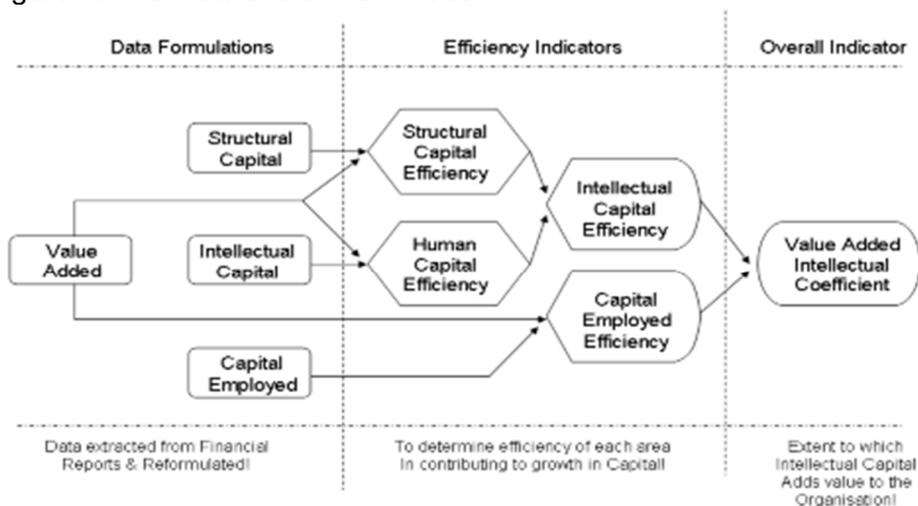
Measuring of Intellectual Capital with Return on Assets method (ROA)

Among these methods we can classify also Value-added intellectual capital coefficient (VAIC), method developed by professor Ante Pulic (1998,2000). The method has many positive impacts in efficiency of Intellectual Capital Measurement and it is in use in many countries. In England even over 300 companies use this method. The results show that companies' IC has a positive impact on economic and financial performance. However, the association between IC and stock market performance is only significant for high-tech industries. This is then useful exactly in our case of Gorenje d.o.o. The results also indicate that capital employed remains a major determinant of financial and stock market performance although it has a negative impact on economic performance. In praxis the VAIC method could be an important tool for many decision makers to integrate IC in their decision process according to Zeghal D. and Maaloul A. (2010).

VAIC became the most popular method for measuring the efficiency of value adding to corporate intellectual capital.

Dunn and Hughes-Lucas (2010) brought wider perspective to the VAIC model they connect VAIC elements with construct of three procedure stages of model application and their influence on the capital growing. Detail overview is presented in figure 5.

Figure 5: Overview of the VAIC model



Source: Laing, Dunn and Hughes-Lucas (2010, p.276)

Pulić VAIC method calculate coefficient VAIC as sum of three components: efficiency of human capital, financial capital and structural capital. Contrary to economic theory and praxis which threat employees as labour costs, here we calculate them as investment in their efficiency, because they contribute to the overall performance of the company.

Added value is difference between Operating income and Operating expenses without Labour costs, to which we then add Labour cost. Labour cost represent value of human capital.

Second component financial capital is equal to Resources of the company. Structural capital is subtraction between added value and human capital. Efficiency of the human capital is division rate between Added value and human capital. Efficiency of financial capital comes from division of added value and financial capital, meanwhile the efficiency of structural capital represents division among added value and structural capital. Finally, coefficient VAIC is the sum of all three coefficients of efficiency: human capital, financial capital and structural capital.

In our case we calculate method VAIC for company Gorenje, d.d. It is a Slovene multinational, global company that successfully operates on the most demanding global markets and even successfully takes over companies in the West, like the Dutch Atag and Sweden Asko. They are selling products in 90 countries, from the USA to Australia, and its employees come from 42 different countries. Gorenje is one of the last Slovenian large business groups, which is driving a record economic growth. More than 90% of its sales constitute exports. It is not about the sale of components, but of comprehensive products, which are mostly generated in Slovenia.

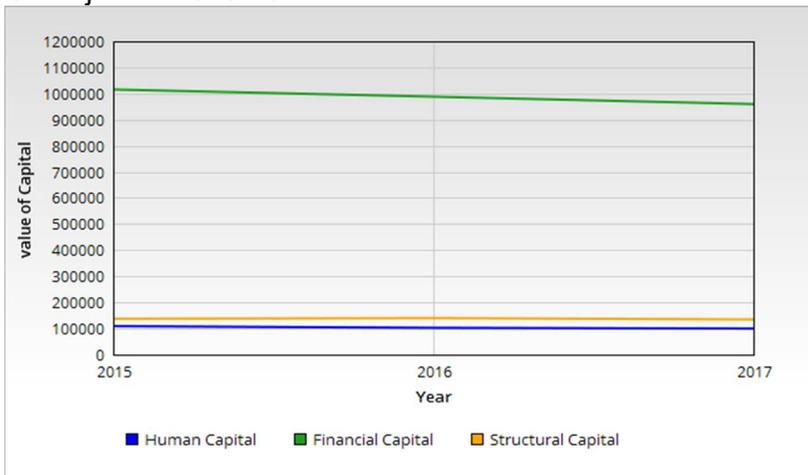
In table 2 we calculate coefficients of efficiency for company Gorenje d.d. in three years' period, 2015, 2016, 2017. Table 3 show 9 percent growth of Human Capital, meanwhile Financial capital grow for 6 percent, structural capital grows slow of 2 percent. Added Value was in observed period slightly grow for 5 percent. Efficiency of financial capital was without change, but one of human capital drop for 4 percent. Overall VAIC coefficient thus fallen for 1 percent.

Table 2: Calculation of VAIC coefficient in company Gorenje d.d. in 2015 - 2017

in EUR	2015	2016	2017	$I_{16/15}$	$I_{17/16}$	$I_{17/15}$
Operating income	700.284	718.806	822.975	3%	15%	18%
Operating expenses	565.595	578.902	685.654	2%	18%	21%
Labour costs	99.791	102.769	109.151	3%	6%	9%
Added value	234.480	242.673	246.472	4%	2%	5%
Human Capital	99.791	102.769	109.151	3%	6%	9%
Financial Capital	959.570	987.867	1.015.425	3%	3%	6%
Structural Capital	134.689	139.904	137.321	4%	-2%	2%
Efficiency of human capital	2,35	2,36	2,26	0%	-4%	-4%
Efficiency of financial capital	0,24	0,25	0,24	4%	-4%	0%
Efficiency of structural capital	1,74	1,73	1,79	1%	4%	3%
VAIC	4,33	4,34	4,30	0%	-1%	-1%

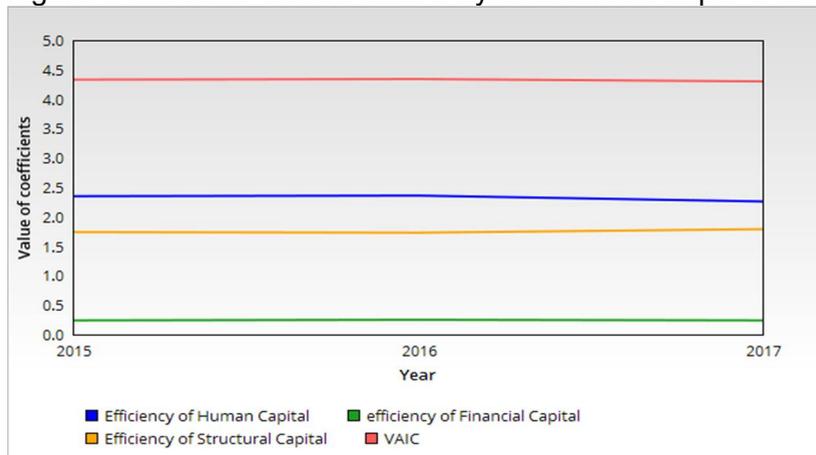
Source: Yearly report of company Gorenje, 2015-2017

Figure 6: Movement of Human, Financial and Structural Capital of Gorenje d.d. 2015-2017



Source: Figure done by data in Table 2

Figure 7: Movement of the efficiency of all three components of VAIC



Source: Figure 7 done over data available in Table 2

Figure 7 tells us, that all three components of VAIC are in stagnation, they don't really progress, which is pretty serious problem, meanwhile balances and financial statement show relatively good picture. The importance of VAIC method for the Management is therefore obvious. Good side of the VAIC method is, that do use accountancy data, what gives it certain trust and credibility inside the company. Also, it is useful on all levels in organization. Method shows how much value create each Euro invested in these three components of capital. Nevertheless, VAIC coefficient have relatively small value.

Practical implications – The VAIC method could be an important tool for many decision makers to integrate IC in their decision process, especially in high-tech companies, according to Zeghal D. and Maaloul A. (2010)

Conclusion

In the research, after study various method of evaluation of intellectual capital, study is focused on two methods: market capitalization method (MCM) with its improved version Tobin's and second measuring of Intellectual capital with Return on Assets method (ROA), and among these methods, classified Value-added intellectual capital coefficient (VAIC) in company Gorenje d.d. for the business years 2015-17.

In case of Tobin's Q, coefficient was in all three years smaller than 1. Market value was significantly lower than the book value. It was a kind of surprise, because company's business reports results are relatively good and company seems very vital. But Market capitalization methods have some failures like, the reality of the market value is questionable,

because could be speculative, under implanted negative statements of interested groups or influenced individuals and book value also doesn't always reflect real evaluation of the assets. When market value is smaller from book value, this imply that such investment is not profitable. This could also show need for strategic partnership with another high-tech company, which would change such a trend. However, this method is not really trustable and reliable, thus we could conclude that in our case is not really applicable.

Our focus further could be then on measuring of Intellectual capital with Value-added intellectual capital coefficient (VAIC) in company Gorenje d.d. Human capital as one of the most important components in VAIC method is certain privileged. Gorenje currently maintains about 90 employees for which it produces a quarter of a million euros a year; Among them are future masters and doctors of electrical engineering and computer science. The talented personnel are being discovered and developed in the programs of the University of Gorenje (CUG), both in Slovenia and in subsidiaries in the world. In recent years, hundreds of new developers have been employed in Slovenia. And growth of Human Capital really show progress. Meanwhile Financial Capital don't grow so much, because company is significantly indebted and Added value is low. This make Gorenje vulnerable and could be big problem for future. And problem is that Structural capital is stagnant, because intellectual human capital doesn't transfer or materialize into structural enough efficiently.

Also, the proportion of administrative workers in relation to employees in production is too high. Gorenje's core business is taking place in an industry that is already quite old even high-tech, so you have to work hard to stay competitive in big concurrence. They are interested for strategic partnership of company, for partner committed to the growth and preservation of the brand and the current volume of production in Slovenia, while also offering business synergies and access to new markets.

This give us conclusion, that Method VAIC it is the appropriate mean of measure of Intellectual capital, because first giving us right information about condition of all three component of VAIC, their efficiency, what could be right information for Managers, who can observe the condition of VAIC on all levels in organization and receive on basis of experiences and data adequate measures and right decisions for improvements and long run profitability. By this can help them, that method have sources in exact data of Balances and Financial statements, what give them credibility and also persuasive power among employees.

Resources

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FACTORS AFFECTING CUSTOMER SATISFACTION OF HOTELS IN DEBRE BERHAN, ETHIOPIA

Robindro Singh Nongmaithem¹, Mekonnen Dibu Gebremaria²

| 33

Abstracts

The basic purpose of this study was to examine factors that affect customer satisfaction by using variables of perceived service quality, price and corporate image hotels in Debre Berhan. Mixed research approach was employed to obtain the primary data from the respondents by administering structured and semi – structured questionnaire. SERVPERF approach which was adapted and modified to fit hotels by desk review and preliminary interview with hotel supervisors and managers of the hotels. Descriptive statistics such as mean and standard deviation and inferential statistics such as correlation and regression were used. The finding of this study were revealed that three different independent variables (service quality, price and corporate image) variables significantly and positively affect customers' satisfaction at p value <0.005 levels and shows perceived service quality has the highest significant and positive effects on customer satisfaction followed by price and corporate image. From the service quality dimensions' assurance has highest significant and positive effects on customer satisfaction followed by responsiveness, reliability, tangibility and empathy. Finally, it is recommended that to create customer satisfaction on the part of customers, hotels need to provide better service, fair price and build corporate image.

Key words: Corporate image, Customer satisfaction, Price, Service quality, SERVPERF model,

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¹ Robindro Singh Nongmaithem, Ph.D., Associate Professor, Collage of Business and Economics, Debre Berhan University, Ethiopia. Email: drrobindrosingh@gmail.com

² Mekonnen Dibu Gebremaria, MBA., Lecturer, College of Business and Economics, Dire Dawa University, Ethiopia. Email: mekonnendibu084@gmail.com

Back ground of the study

As cited in Le Na (2009/2010) Sheela, (2007) hotel is the place where the tourist stops being the traveler and become a guest and connected closely to the civilizations of mankind. According to ESA (2014), hotel is a commercial establishment which provides rooms in which people can stay, especially to travelers and sometimes to permanent residents, and which provides food, lodging and other services for paying guests including the general public.

According to Le Na, (2009/2010) the history of hotel has different views like it appeared in the sixth century B.C when some couples provide large halls for travelers to drink and others since early biblical times. The Greeks developed thermal baths in villages for rest whereas the Romans built mansions to provide accommodation for the government business. However, the real growth of modern hotel industry took place in the USA by the opening of the city hotel in New York in the year 1794. As Africa Business, (2015) over view in Ethiopia, hotel industry's contribution to GDP was 4.2% in 2013 and it has rose by 4.5% in 2014 and this figure is predicted to rise by 5% in 2024. However, according to Kifle, (2012) and Carmen (2018) in Ethiopia, the quality of service is the majority of the challenges to the hotels due to lack of trained manpower, very limited accommodating capacity of international standards for leisure tourism, with investment concentrated in main cities and business-type hotels and there is a great demand gap between the demand and supply of international tourist standard hotel service. Also pricing of hotel services depends considerably on the quality of service rendered and its location as to (Profile on international tourist standard hotel 2006).

Customer satisfaction affected by service quality, price and hotel image. From the factors, according to Rust and Oliver, (1994) and Palmer (2001) Service quality has become as one of the key driving forces for business sustainability and is vital for firms' accomplishment and a crucial source of distinctive competence and in sustaining competitive advantage in service industries. According to Farzad (1999) believe that superior and desirable food and reasonable price of the meals offered positively affect customer satisfaction with the hotel and/or destination area. According to Varki and Colgate (2001) price was the part that required payment or sacrifice to obtain the products or services and purchase behavior of customers depended on pricing factors. Also Anderson, &Fornell, (1994) price is a fatal factor that directly impacted on consumer satisfaction, because whenever consumers evaluate the value and purchases a product they think of the price whether it is cheap enough or fit with the value of the product from that the customer will be satisfied or not and concern of all firm and businessman.

So, understanding the factors that affect customers' satisfaction in the hotels and improving in continues manner is a key for the customers, the owner and for the society at large. Therefore, the researcher examined the factors that affect customer satisfaction in Debre Berhan city administration hotels.

Statement of the Problem

Hotel industry has become highly competitive and dynamic in global level, whereas services delivery and satisfaction demanded by all peoples in all countries as consumer. Enhancing customer satisfaction and investigating factors that affect customer satisfaction in hotel industry, will help to avoid the problems, challenges of globalization and competition. Even though factors affecting customer satisfaction can vary or similar with relation to the variables services quality and other variables. According to Manhas & Tukamushaba (2015) success of organization in hotel industry is deeply related with customer satisfaction. However, according to culture and tourism office year 2017-18 annual report and 2018-19 semi-annual assessment and preliminary researcher interview and observation, even though hotels perform and establish different facilities or system to satisfy their customers, the customers complain about the hotel services of DBCA, there are lack of skilled/labour/,service quality's and shortage of infrastructures, unfair price. Due to this, the customer face satisfaction problem in Debre Berhan city the hotels.

Researchers were revealed that five service quality dimensions, empathy, responsiveness, assurance, tangibility and reliability are factors which have effect on customer satisfaction in different countries with different level of significance. According to Suzana and Sanja (2013), tangibility and reliability are factors in Croatian hotels, whereas according to Nquyenet et al., (2015) in Vietnam hotels empathy, reliability, and responsiveness and assurance are the major factors. According to Afroza et al., (2014) tangibility, responsiveness and assurance are significant factors for hotels in Bangladesh hotels. According to Darini & khozaei (2016), Devlina et al., (2017), Almohaimmeed (2017) and Bader (2017), Muneeb (2018), price and service quality and price are more contributing factor for the customer satisfaction. In Ethiopia, as to Feven et al., (2016), and Birhanu (2017), revealed that assurance, tangibles, responsiveness, reliability and empathy had high significant impact on customer satisfaction respectively.

According to Kim and Lee (2010), Rahman (2012), Emane et al., (2013) Martínez & Bosque, (2015), reveals that corporate image as organizations observation which is hold by customers in their mind and enables the customers to perceive and evaluate the whole operations of

the organization and results a positive relationship between corporate image and customer satisfaction.

From the above findings, researcher's focused on service quality variable and appeared to be different research results related to conceptualization, designed and services quality dimensions and difficult to decide the factors accurately. On the other hand, customer satisfaction is an attitudinal and hotel industry service was intangible, it changes with different problems and times due to controllable and uncontrollable variables. So, it needs periodical investigation about the factors that affect customer satisfaction. The above studies were also conducted on the higher city, two and above star hotels and findings was not be generalized to hotels in Debre Berhan. The above empirical related the corporate image and price variables were more done in bank and a few on higher hotels and need to be examined in medium level city hotels whether it works or not at Debre Berhan.

Also there is limited known about the factors related to corporate image, prices and customer satisfaction, inclusion of them with service quality will bring comprehensive understanding. So, identifying factors affecting customer satisfaction continues to be one of the most focusing areas of research and satisfying customers is challenging functions for hotels business in marketing management in the 21st Century. So that this research, examined the gaps in the service performances by stating the scope, methodology and variables in Debre Berhan city to enhance the understanding and to identify the performance of the hotel industry. Also currently, according to Debre Berhan culture and tourism office report Debre Berhan city was became the destination of tourist because of heritage, tourist site and investment of mega industries in the city.

As a result, from the above mentioned issues one can conclude there is remained basis to carry out research and examine the factors to explain the effect of services quality, price, and corporate image together on the customer satisfaction and this initiated the researcher to make it the focal point for this study. Therefore, this study attempts to identify the factors affecting customer satisfaction in the case of Debre Berhan city administration hotels.

General Objective

The overall objective of the study is to examine the existing factors affecting customer satisfaction prevailing in the selected hotel industry in Debre Berhan city administration.

Specific Objectives

To determine factors affecting customer satisfaction related to service quality, price and corporate image in Debre Berhan City Administration.

To determine the relationship between perceived service quality, price, corporate image and customer satisfaction of the hotels in Debre Berhan city administration.

To determine to what extent effects of perceived service quality, price and corporate image affect customer satisfaction of the hotels in Debre Berhan city administration

Hypotheses of Study

After studying the various literatures on factors affecting customer satisfaction the following hypotheses are developed.

H_{o1} : Service quality will not have positive and significant effect on customer satisfaction among hotels in DBCH.

H_{o1a} : Tangibles will not have positive relationship with the customer satisfaction among hotels in DBCH.

H_{o1b} : Reliability will not have positive and significant effect on customer satisfaction among hotels in DBCH

H_{o1c} : Responsiveness will not have positive and significant effect on customer satisfaction among hotels in DBCH.

H_{o1d} : Assurance will not have positive and significant effect on customer satisfaction among hotels in DBCH.

H_{o1e} : Empathy will not have positive and significant effect on customer satisfaction among hotels in DBCH.

H_{o2} : Price will not have positive and significant effect on customer satisfaction among hotels in DBCH.

H_{o3} : Corporate image will not have positive and significant effect on customer satisfaction among hotels in DBCH.

Delimitation of the study

The scope of the study is delimited to assess factors affecting customer satisfaction in hotel industry to three hotels in Debre Berhan city which are fulfilled the standard of hotels. Therefore, it cannot be considered as a representative of the whole hotels in Ethiopia rather the generalization of study findings and conclusion drawn is limited to the select hotels Getva, Ethio-Bernos and Hiwot hotels. The reason behind studying on the selected hotels is that due to other hotels doesn't full fill the criteria or the standard set by Amahara regional state culture and tourism bureau.

Empirical Literature

There are several studies on factors affecting customer satisfaction and these empirical reviews of related studies in the past and present, has contribution on the study to build the current study and the methodologies used. According to Perran (1995), who studied hotel service quality in Istanbul (Turkey) by adapting the SERVQUAL model, found courtesy and staff competence, communication and transaction, tangibles, customer understanding, accuracy and speedy service, and

solution to problems and their accuracy as the major factors affecting service quality.

According to Mohammad & Fatemeh (2016) the study of factors affecting customer's satisfaction with the three star hotels in Dubai by content analysis revealed that the main factors affecting the tourists' satisfaction were hotel location, food management, cleanliness, facilities, and design and staff behaviors. In other study in three star hotels in According to Devlina et.al., (2017) study on factors affecting customer satisfaction and service quality in the Boutique hotel industry of Kolkata, West Bengal found out that customer satisfaction mainly depends on 2 broad dimensions, reasonable & quality food" and other is "general requirements & hospitality of the hotel. According to Bader (2017) the study restaurant quality was measured using 11 dimensions related to hall, food, hygiene, menu and atmospheric quality, as well as assurance, accuracy, responsiveness, interior design, external environment and price in Saudi Arabia. According to Muneeb (2018) study, food and beverage and price factors that influence customer satisfaction in Pakistan hotel industry using regression model.

According to Simachew and Haile Mariam (2018) the major finding of the study indicates that the hotel customers' perception with regard to five service quality dimensions is below customer expectations. And according to Nurminen (2007) discovered that cost is not the main reason that causes dissatisfaction of customers. Basically, customer dissatisfaction is mostly caused by offering low quality products and services to customers. So that, this study examines factors affect customer satisfaction by using the variables service quality, corporate image and price and examine whether is similar or not with Debre Berhan city hotels.

Research Design and Methodology

In this study the researcher was used explanatory and descriptive survey research design, because the survey design is preferable to conduct research to employed large number of people questioning about their attitudes and opinions towards the specific issue, events or phenomena to address the stated objectives. The study used cross-sectional customer survey data. The reasons for preferring cross-sectional study are due to the vast nature of the customers and effective to manage and collected data and since the data were collected at one point in time from the sample respondents to describe the total population. Triangulation was employed to increase the results reliability by comparing the obtaining data from questionnaire source with interviews sources. The descriptive design was adopted to measure and describe the level of perceived service quality, price, satisfaction and

corporate image. According to (Cronin, Bradley & Halt, 2000; Cooper & Schneider, 2008), explanatory research design was used to explain how and to what extent the above stated constructs were related.

Population and Sampling Size Determination

Target Population of the study area 14142 customers' average per month estimated from the hotels sales. But this estimation varies due to different reasons. So in order to solve this, the researcher used unknown population size determination. The study was also conducted on three hotels industry of Debre Berhan city.

Sampling Technique and Procedure

The study also used non-probability which categorized in convenience sampling that the method that relies on data collection from population members who are conveniently available to participate in study. To achieve the purpose of the study, the data sources and samples are managers and customers of the hotels.

Table 1: Proportional of samples for each individual hotel Distributed

NO	List of town hotel industries	No of sample customers	Percent
1	Gete-Wame and their family- Getva hotel	152	39
2	Ethio-Bernos hotel	112	29
3	Hiwotenesesh and Kaleab –Hiwot hotel	121	32
	Total of The three hotels	385	100

Source: Own survey (2019)

The following sample size formula for infinite/unknown population is used to arrive at a representative number of respondents (Godden, 2004; Daniel, 1999):

$$SS = \frac{z^2 xp(1-p)}{M^2}$$

Where: SS = Sample size for the infinite population

Z = 1.96 for 95% confidence level of significance

P = population proportion 0.5 (50%) since this would provide the maximum sample size.

M = Margin of Error (allowable error) at 5% (0.05)

Deff = 2 (Design effect)

Therefore, the calculated sample size was derived by the following proportions probability formula; Where; n =sample size

Z=parameter related to error risk (1.96 for 95% confidence level)

Sample size, $n = \frac{z^2 pq}{e^2}$ e = Margin of error (0.05)

$$n = \frac{z^2 pq}{e^2} = \frac{1.96^2(1-0.5)0.05^2}{0.0025} = \frac{0.9604}{0.0025} = 384.16$$

So that, the sample size is 385 customers were generated and the respondents were used for this study to gather the data. Since each hotel has different number of customers, to give equal chance the

researcher was employed proportional sampling based on the hotel customers' number until the required sample size full filled.

Types of data

The study employed both qualitative and quantitative types of data. The quantitative data used to gather information related to factors which affect customer satisfaction in hotels by using pre-coded structured questionnaire and the qualitative data were collected through interview to get reliable information about the perception of customer satisfaction.

Method of Data Analysis and Interpretation

To analyze data quantitative techniques were employed. The data collected from questionnaire was analyzed through statistical tools such as percentages, standard deviation, mean, regression, correlation, and frequencies by using SPSS version 24.0 and the data obtained through interviews and descriptive statistics were applied to describe the different socio-economic characteristics of the study variables.

Descriptive Statistics for service quality dimensions, price, corporate image and customer satisfaction

Table 2: Mean score of descriptive Statistics for service quality dimensions, price, corporate image and customer satisfaction

	Custo mer satisf action	Tang ibility	Relia bility	Res pons iven ess	Assu ranc e	Emp athy	Servi ce quali ty	Price	Corp orate imag e
Mea n	3.350 7	3.53 05	3.36 57	3.35 91	3.31 47	3.40 10	3.39 42	3.26 44	3.506 4
Std. Dev	0.585 41	0.50 862	0.57 038	0.50 405	0.55 151	0.54 706	0.41 568	0.60 215	0. 5669 0

Source: Own research (2019)

From Table 2, the mean value of the tangibility has the highest (3.5305) from the service quality dimensions and flowed by empathy (3.4010).). From which is indicate the hotels have better performance in tangibility and empathy and others respectively. The mean value of assurance reliability and responsiveness are (3.3147), (3.3657) and (3.3591) respectively. In addition, mean value of 3.3942, 3.2644 and 3.5064 are the mean value of overall service quality, price, and corporate image respectively. Lastly, the customer satisfaction mean value was (3.3507

Correlation of service quality, price, corporate image and customer satisfaction

To know the nature, direction and significance of the relationship of the variables, Bivariate correlations procedure to compute Pearson's correlation coefficient. For this research purpose, Karl-Pearson's correlation coefficient (r) was adopted, guided by the nature of data (scale). The value varies between 0 (no relationship) and 1 (perfect

linear relationship) or -1 (perfect negative linear relationship). The significance level (p-value) is the probability of obtaining results as extreme as the one observed. If the significance level is small (e.g., $p < 0.05$) then the correlation is assumed to be significant and linearly related. Opposite will be true, if the significance level is relatively large (e.g., $p > 0.05$).

According to Malhotra, (2004) the general guidelines for interpreting the correlation values, the relationship would be very weak/negligible when “r” ranges 0-0.2, weak/low for 0.2-0.4, moderate for 0.4-0.7, strong/high for 0.7-0.9, and very strong for 0.9-1.0 and whereas Matkar (2012) ‘r’ ranges 0-0.2, weak/low for 0.2-0.4, moderate for 0.6-0.7, strong/high for 0.7-0.8 good 0.8-0.9 very good, and excellent 0.9-1.0. So that, according to Hair, et al., (2010) before attempting to regression analysis, and computation of correlation coefficients between independent and dependant variables suggested considering the problem of multi-collinearity, which exists when “r” is greater than 0.9 or several associations (values) are greater than 0.7 in the correlation matrix.

Table 3: Correlation between services perceived quality dimensions and customer satisfaction

	Customer	Tangibility	Reliability	Responsiveness	Assurance	Empathy
Customer	1.0000					
Tangibility	0.6738	1.0000				
Reliability	0.6861	0.4804	1.0000			
Responsiveness	0.6913	0.5226	0.4775	1.0000		
Assurance	0.7126	0.4740	0.5297	0.4699	1.0000	
Empathy	0.6641	0.5199	0.4687	0.5210	0.5423	1.0000

Note**: Correlation is significant at the 0.01 level (2-tailed) and (Sources: own survey data 2019)

As indicated Table 3, the correlations between service quality dimensions, and customer satisfaction, shows strongest correlation with value of assurance ($r=0.713\%$), and followed by responsiveness ($r= 0.691\%$). In addition, there is strong correlation between reliability, tangibility, and empathy with the value of ($r=0.686\%$, 0.674% and 0.664% , $p < 0.001$) respectively. The result shows that there is a positive/significant correlation between the variables service delivery, (IV) and customer satisfaction (DV).

Therefore, the influence of five service quality dimensions on customer satisfaction was considered to be strongest and in line with the findings of other previous studies Ala`a & Ahmad (2012), Feven et al (2016), and Birhanu (2017).

Table 4: Correlations between service quality, price, and corporate image with customer satisfaction

Constructed dimensions	Customer satisfaction	Service quality	Price	Corporate image
Service quality	0.885**			
Price	0.626**	0.587**		
Corporate image	0.600**	0.581**	0.386**	

(Sources: Own survey data 2019)

Note: ** correlation is significant at the 0.01 (2-tailed).

As indicated in Table 4, the correlations between service quality, price and corporate image with customer satisfaction were strong. From the correlation, Service quality has strongest correlation with customer satisfaction with value of (r=0.8850%) and followed by price and corporate image with the value of (r=0.626%, and 0.600%, p<0.001) respectively.

Test of assumptions

Before performing regression among the variables, the researcher performed different assumptions. These are multi-collinearity, normality, Shapiro –Wilk, normal plot and linearity, Skewness and Kurtosis. For instance, Skewness and Kurtosis values should not exceed 1 and 2 the absolute values respectively. If the standard deviation doubles by two, the absolute values are not exceeding the standard deviation.

According to Sergeesh, et al., (2014), before performing the regression analysis, as suggested by assumptions and conditions of normal distribution, linear relationship between the independent and dependent variables, error-free measurement, independence of error, and multi-collinearity were examined.

According to Gujarati (2003) LPM, faces numbers of econometric problems like hetero-scedasticity and others. In order to check the goodness of the F - statistics of the model, simple regression to express the relationship between the dependent and independent variables and simple correlation to express the degree of closeness the variable was done.

According to Nunnally, (1978), for the assumption of error-free measurement of regression, it was considered to be no concern in the context of this study, as the reliability coefficients (Cronbach alphas) were above the threshold limit of 0.7. The tolerance value below 0.1 and VIF statistics above 10 indicate multi collinearity amongst the independent variables (Hair et al., 2009). As the computed values were above 0.1 for tolerance statistics, and VIF ranging within 1 -10 (as indicated along the regression summary in the following section), multiple regressions were assumed to be free from the problem of multi collinearity.

Normal Probability Plot; A comparatively simple graphical device to study the shape of the probability density function (PDF) of a random variable is the normal probability plot (NPP) which makes use of normal probability paper, a specially designed graph paper. On the horizontal, or x, axis, we plot values of the variable of interest (say, OLS residuals, \hat{u}_i), and on the vertical, or y, axis, we show the expected value of this variable if it were normally distributed. Therefore, if the variable is in fact from the normal population, the NPP will be approximately a straight line.

Regarding to test of normality, according to (Field, 2009) the central limit theorem, as long as the sample size is 30 or more; the sampling distribution would tend to be normal irrespective of the population distribution. Fundamentally, the large enough sample size (385) used in this study satisfies the requirement of normality, however, in order to examine the suitability of data for further analysis, two measures of normality- Kurtosis and Skewness were computed.

Regression and correlation service quality dimensions on customer satisfaction

Table 5: Regression of tangibility on customer satisfaction

Model	R	R Square	Adjusted R square	Std. Error of the Estimate	correlation customer satisfaction and tangibility	
	0.674	0.454	0.452	0.43318		Customer satisfaction
					Tangibility	0.674
Regression Coefficients						

	Un-standardized Coefficients		Standardized Coefficients B	Sig	Collinearity Statistics	
	B	Std, Error			Tolerance	VIF
(constant)	0.613	0.162		0.000		
Tangibility	0.776	0.046	0.674	0.000	1.000	1.000

The regression results of the analysis indicated in model summary Table 5, R, 0.674 indicate the correlation tangibility with customer satisfaction. The adjusted R2 value of 0.452% indicates that around 0.45% of the variation in customer satisfaction can be explained by tangibility and a unit increase of tangibility will results increases by (B= 0.674%) in the customer satisfaction of the hotels.

Table 6: Regression of responsiveness and customer satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	correlation customer satisfaction and responsiveness

	0.691	0.478	0.476	0.42363		Customer satisfaction
Responsiveness						0.691
Regression Coefficients						
Coefficient	Un-standardized Coefficients		Standardized Coefficients B	Sig	Collinearity Statistics	
	B	Std, Error			Tolerance	VIF
(constant)	0.654	0.153		0.000		
Responsiveness	0.803	0.045	0.691	0.000	1.000	1.000

The regression results of the analysis indicated in model summary Table 6, R, 0.691 indicate the correlation responsiveness with customer satisfaction. The adjusted r² value of 0.476% indicates that around 0.48% of the variation in customer satisfaction can be explained by responsiveness and a unit increase of responsiveness will result increases by (B= 0.691%) in the customer satisfaction of the hotels.

Table 7: Regression of reliability and customer satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	correlation customer satisfaction and reliability	
	0.686	0.471	0.469	0.42644		Customer satisfaction
					Reliability	0.686
Regression Coefficients						
Coefficient	Un-standardized Coefficients		Standardized Coefficients B	Sig	Collinearity Statistics	
	B	Std, Error			Tolerance	VIF
(constant)	0.980	0.136		0.000		
Reliability	0.704	0.040	0.686	0.000	1.000	1.000

The regression results of the analysis indicated in model summary Table 7, R, 0.686 indicate the correlation reliability with customer satisfaction. The adjusted r² value of 0.469% indicates that around 0.47% of the variation in customer satisfaction can be explained by reliability and a unit increase of reliability will result increases by (B= 0.686%) in the customer satisfaction of the hotels.

Table 8: Regression of assurance and customer satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	correlation customer satisfaction and assurance	
					Assurance	Customer satisfaction
	0.713	0.508	0.506	0.41129	Assurance	0.713
Regression Coefficients						

Coefficient	Un-standardized Coefficients		Standardized Coefficients B	Sig	Collinearity Statistics	
	B	Std, Error			Tolerance	VIF
(constant)	0.843	0.134		0.000		
Assurance	0.756	0.040	0.713	0.000	1.000	1.000

The regression results of the analysis indicated in model summary Table 8, R, 0.713 indicate the correlation assurance with customer satisfaction. The adjusted r² value of 0.506% indicates that around 0.51% of the variation in customer satisfaction can be explained by tangibility and a unit increase of assurance will result increases by (B= 0.713%) in the customer satisfaction of the hotels.

Table 9: Regression of empathy on customer satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Correlation customer satisfaction and empathy	
					Empathy	Customer satisfaction
	0.664	0.441	0.439	0.43831	Empathy	0.664a
Regression Coefficient						

Coefficient	Un standardized Coefficients		Standardized Coefficients B	Sig	Collinearity Statistics	
	B	Std, Error			Tolerance	VIF
(constant)	0.934	0.148		0.000		
Empathy	0.711	0.043	0.664	0.000	1.000	1.000

The regression results of the analysis indicated in model summary Table 9, R, 0.664 indicate the correlation empathy with customer satisfaction. The adjusted r² value of 0.439% indicates that around 0.44% of the variation in customer satisfaction can be explained by tangibility and a unit increase of empathy will results increases by (B= 0.664 %) in the customer satisfaction of the hotels.

Regression over all perceived service quality dimensions on customer satisfaction

To examine the influence of perceived service quality on, customer satisfaction, linear and multiple regression models analysis, standard

were computed to analyze the direct relationships between effects of independents (predictors) variables on the dependent variable.

Table 10: Regression of overall Service quality on customer satisfaction

Model	R	R Square	Adjusted-R Square	Std. Error of the Estimate	R Square Change	Sig
1.	0.885	0.783	0.782	0.27325	0.783	0.000
Regression Coefficients						
	Un standardized Coefficients		Standardized Coefficients B	Sig	Collinearity Statistics	
	B	Std, Error			Tolerance	VIF
(Constant)	-.878	0.120		0.000		
Over all Service quality	1.246	0.035	0.885	0.000	1.000	1.000

(Sources: Own survey data 2019)

The regression results of the analysis indicated in model summary Table 10, R, 0.889 indicate the correlation over all service quality with customer satisfaction. The adjusted r2 value of 0.789% indicates that around 0.79% of the variation in customer satisfaction can be explained by service quality. The coefficient indicates a unit service quality increases, the result will increase with the value of 0.89% of Beta value in the customer satisfaction of the hotels.

Table 11: Regression of perceived service quality dimensions on customer satisfaction

Model	R	R Square	Adjusted-R Square	Std. Error of the Estimate	Sig	
1.	0.887	0.787	0.784	0.27223	0.000	
Regression Coefficients						
	Un standardized Coefficients	Standardized Coefficients B		Sig	Collinearity Statistics	
	B	Std, Error			Tolerance	VIF
(Constant)	-.885	.121		0.000		
Tangibility	0.243	0.037	0.211	0.000	0.597	1.674
Reliability	0.249	0.033	0.242	0.000	0.614	1.629

Responsiveness	0.292	0.037	0.251	0.000	0.599	1.668
Assurance	0.298	0.035	0.281	0.000	0.582	1.719
Empathy	0.169	0.035	0.158	0.000	0.568	1.760

(Sources: Own survey data 2019)

From the Table 11, the model summary indicates multiple R, (0.887), which service quality dimensions have strong relationship with customer satisfaction and Adjusted-R Square was Adjusted-R Square (0.784), in which the model cover around 78%. Whereas R square R2 (0.787), R Square Change and the Standard error is 0.27223. So the analysis the five dimensions of service quality contributed 78% and the other factors contribute the remaining 0.22% towards customer satisfaction.

From the dimension of assurance appeared to be the highest significant contributor with coefficient value ($\beta=0.298\%$), to determine customer satisfaction which is in line with earlier researcher Feven et al, (2016) and Brihanu (2017) . Responsiveness is the second higher significant ($\beta=0.292\%$, $p<0.000$), which is in line with Afroza et al (2014) and Simachew & Hailemariam (2018). And reliability ($\beta=0.249\%$, $p<0.000$), tangibles ($\beta=0.243\%$, $p<0.000$).Empathy ($\beta=0.169\%$), at $p<0.000$) has the leas timpact compared to the other variables which is supported by Afroza et al (2014) and Feven et al, (2016).So the dimensions were appeared to be significant predictors of customer satisfaction (at 95% confidence level), in the context of Debre Berhan hotel sector. From the this, a unit increase in assurance, responsiveness, reliability, tangibles and empathy will increase the customer satisfaction of the responding hotels' customers by ($\beta =$ value 0.28%, 0.25%, 0. 24%, 0.21% and 0.16 %) respectively. This, means installing confidence, providing safe transactions, service delivery from the hotel's staff, consistently courteous, knowledge to answer questions, well coming guests are the major factors. In addition, staffs willing to provide prompt service and assistance to guests 'requests and problems, providing a safe

Customer satisfaction $y = -0.885 + 0.243(\text{tangibility}) + 0.249(\text{reliability}) + 0.292(\text{responsiveness}) + 0.298(\text{assurance}) + 0.169(\text{empathy}) + E$ (error term)

Guided by this, tangibility, reliability, responsiveness, assurance and empathy have positive and significant effect on customer satisfaction among hotels in DBCH and rejected the hypothesis (H1a, H1b, H1c, H1d, and H1e) as: perceived tangibility, reliability, responsiveness, assurance and empathy will not have positive and significant effect on customer satisfaction DBHI.

Additionally, the customers' forward comments like Ethio-Bernos hotel provides services a friendly atmosphere to customers, cleaner and

efficient when compared to competitors whereas satisfactory for Hiwot hotel. But the overall services of the hotels Getva provides better when compared to other competitor in the city. However, their problems in Ethio-Bernos hotel service delivery like, employee doesn't understand the individual interest perfectly, and sometimes large amount of potato in meat tibus and the machine of chips is not good, poorly darning shower that quickly over flow inconsistent access to water /sink, shower toilets and fixture not securely attached and lack of sufficient parking. Whereas Hiwot hotel service quality and quantity decreasing from time to time, like lack of variety of food, quality of rooms, shower and bed, cleanness materials, poor handling customer satisfaction and focus on the customers who have wealth and the foreign, sound pollution employees who working in food preparation and there is a problem in handling customer satisfaction, few employees in number and fail to fast response. So that, according to Mathews (2008), we can say they face difficulty the ability to continue satisfying their customers while at the same time making huge profits.

Finally, in Getva hotel there is some problem like food quantity and quality specially when there is ceremonial, lack of hot water in the shower and TV is not work in bed room. To make more reliable, the researcher checked these problem from the city culture and tourism office and they confirmed that these type of problem was happening sometimes in the three hotels.

Therefore, the influence of service quality on customer satisfaction was considered to be strong in line with the findings of other previous studies Francosis, et al., (2007), Simon (2012), Tewodros (2015), Nguyen et al., (2015), Feven et al., (2016), and Birhanu (2017) and Simachew and Haile Mariam (2018). Moreover, the result was found to be free from the multi collinearity problem, as indicated by the statistics of Tolerance and VIF.

Regression Analysis of Perceived price on Customer satisfaction

Table 12: Regression of price on Customer satisfaction

Model	R	R Square	Adjusted R Square	Std. Error	Sig		
1	0.626	0.392	0.390	0.45704	0.000		
Regression Coefficients							
Model	Un-standardized Coefficients		Standardized Coefficients Beta	T	Sig.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
(Constant)	1.363	0.135		10.122	1.363		

Price	0.609	0.041	0.626	15.007	0.609	1.000	1.000
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(Sources: own survey data 2019)

Dependent Variable: customer satisfaction and independent variable price

The regression results of the analysis indicated in model summary Table 12, adjusted R² value of 0.390% indicates that around 0.390% of the model variation in customer satisfaction can be explained by price.

The coefficients indicate price on customer satisfaction positively and significantly affects customer satisfaction and can be represented as: customer satisfaction $y=1.363+0.609$ (price). And every increase overall fair price will have increased the associated customer satisfaction by 0.626% (B) times and rejected the second hypothesis as H₂ perceived price will not have positively and significantly influence the customer satisfaction DBCH. However, regarding the prices of all hotels there is controversial i.e., around 75 of the respondents say is not fair price for all hotels and 11 of the respondents wrote some times change the bed price in Hiwot hotel and in Getva hotel, 62 of the respondents wrote there is no variety of prices and the payment system takes much times, whereas Ethio- Bernos has fair price.

Therefore, the influence of price on customer satisfaction was considered to be strong and in line with Andaleeb and Conway (2006), Aurimas & Borisas (2009), Athula (2014), Abdul and Zainal (2016) and Bader (2017).

Regression result of perceived corporate image on customer satisfaction

Table 13: Regression of corporate image on customer satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F Change	Sig
1	0.600a	0.360	0.358	0.46910	196.069	0.000
Regression Coefficients						
Model	Un-standardized Coefficients		Standardized Coefficients		Collinearity statistics	
	B	Std. Error	Beta	T	Tolerance	VIF
1(Constant)	1.179	0.157		7.505		
Corporate image	0.619	0.044	0.600	14.002	1.000	1.000

Sources: Own survey data 2019)

Dependent Variable: customer satisfaction and independent variable corporate image

From the Table 13 model summary indicates R values is 0.600 % shows the relationship of customer satisfaction and corporate image. Adjusted

r² value of 0.358 indicate that around 36% the variation in customer satisfaction can be explained by corporate image, the other factors contribute the remaining 64% towards customer satisfaction.

In the analysis of β coefficient value shows that, corporate image has positive and significant effect on customer satisfaction. So the relationship between corporate image (explanatory variable) and customer satisfaction (dependent variable) can be represented as: customer satisfaction $y = 1.179 + 0.619(\text{corporate image})$. And also, implied that a unit increase overall corporate image will increase the associated customer satisfaction by 0.600% (β) times. Regarding the corporate image, the customers' additionally forward comments, like Etho- Bernos hotel, indicate the culture of the society, has better attractive internal and external design compared to other hotels, whereas Getva named the hall by society village and history like Minjar, Ankober, and Liche hall. For Hiwot hotel, the hotel has good location and the internal and external design was good for Getva and Hiwot hotels. And Hiwot lack of lift for disables persons. Finally, all of the hotels haven't participations in the community service in well organized manner.

Therefore, the influence of corporate image on customer satisfaction was considered to be strong and in line with Kumbhar, (2011) and corporate image in bank industry work for hotel industries and supported by Darini&khozaei (2016) that corporate image has positive and significant relationship on customers' satisfaction in hotel sector. Finally, rejected the H3 hypothesis as perceived corporate image will not positively and significantly influence the customer satisfaction DBHI.

Table 13: Regression of service quality, price and corporate image

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	
1	0.90	0.809	0.808	0.25662	0.809	491.487	
Regression Coefficients							
Model	Un-standardized Coefficients		standardized Coefficients		Sig	Tolerance	VIF
	B	std error	B	T			
(Constant)	-1.036	0.116		-8.946	0.000		
Service quality	1.021	0.046	0.725	22.046	0.000	0.508	1.969
Price	0.156	0.028	0.155	5.334	0.000	0.652	1.533
Corporate image	0.123	0.030	0.119	4.122	0.000	0.659	1.517

(Sources: own survey data 2019)Dependent: customer Satisfaction, Predictors: (constant) service quality, price and corporate image

From Table 14 above the value of R= 0.90% which indicates the relationship between the IV and DV. The R square (R²) 0.809, Adjusted r² value of 0.808% indicates that 0.81 % of the variation in customer satisfaction can be explained by service quality, corporate image and price. And R Square Change 0.809 and the Standard errors are 0.25662. The results of the analysis indicated in coefficients value above table 18 that perceived, service quality, price and corporate image influence positively and significantly (β), $p < 0.05$, the customer satisfaction with the hotel provisions. So, the relationship between (explanatory variables) and customer satisfaction (dependent variable) can be represented as:

$$\text{Customer satisfaction } y = -1.036(\beta_0) + 1.021 (\text{service quality}, x_1) + 0.156 (\text{price}, x_2) + 0.123 (\text{corporate image}, x_3)$$

This implied that every increase of overall service quality, price and corporate image, it will increase the associated customer satisfaction by 0.73 %, 0.16% and 0.12% (β) times respectively and rejected the hypothesis H1, H2 and H3 positively and significantly affect the customer satisfaction DBHI.

Therefore, the influence of service quality, corporate image and price on customer satisfaction was considered to be strong and in line earlier researchers, Feven et al, (2016) Birhanu (2017), related to service quality, Darini&khozaei (2016) related to corporate image and Muneb (2018) related to price each variable separately.

Qualitative analysis of the interview Questions from the hotel mangers

1. Have you ever received complains and comments from your customers' interaction to the quality of services offered by this hotel and from which area raise customers complain? A. food and beverage B. corporate image C. price. D. Bed and others Can you explain the reason behind?

Yes, we receive different comments and complain from our customers related to service quality, price and others to be improving. Sometimes they inform to the employees weather they satisfied or not in each service. Most of the time the customer raise compliances related food, beverage, and bed accommodation like food quality, employees speed, knowledge ,level of salt and fat and bed material . Most of the time complains raised by the customers who experiences and the employees of the hotels are lacks academic knowledge rather experience, and there is lack of training center in hotel industry.

2. Did the hotel management take any remedy action based on customers' suggestions and comment's?

Yes, the supervisor supervise the customer while they are using the service and take corrective action and if the customers have issues on the service ,the manager of the hotel checks immediately and takes

different action based on the customer suggestion like improving the service quality related issues food and materials and others.

3. How customers rate their satisfaction and what systems follow to deliver the services would you explain it?

Based on the customers comment, our hotel is rate the hotels some of very good and others good position by service deliver, corporate image and price. This indicates different issue to be improved. In order to provide better service, we follow different procedures, standards and individuals interest.

4. Do you think the services quality that offered by the hotel is factor for customer satisfaction?

Yes, service has to be delivered with reference to some standards and creating high customer satisfaction can be difficult in the hotels industry due to different reasons like service quality, location and performance of the hotel itself. However, providing service quality is a factor for customer satisfaction. The relationships between owner and employees' management has impact on the customer satisfaction. Employees' satisfaction related better service deliver which in turn create customer satisfaction.

5. Do you think your prices set for all services are fair and price is factor for customer satisfaction? Yes, it is fair enough. The price sated by the hotel sometimes factor for customer satisfaction but the hotel provides fair price compared to our service delivery standards and it created customer satisfaction. And currently the hotel working price revising with reference to the quality, type and level of our services and facilities it is for delivered.

6. Have you ever build corporate image about your hotel? Can you explain corporate image of your hotel and corporate image is factor for customer satisfaction?

We are striving to build for corporate image. To build a better corporate image we have to improve the quality of our services. Yes; some hotels have built their corporate image through service quality that finally leads to customer satisfaction. Corporate image is a factor for customer satisfaction if the customers assume the hotel internal and external design is excellent he/she perceived satisfaction, if not they doesn't satisfy and not used to the hotel at all. Corporate image of the hotel is very good and it can because for customer satisfaction. In hotels main factor for customer satisfaction products like food, beverage, physical facilities, employees' performance related issues which is categorized tangibility, reliability responsiveness and empathy. So other service dimensions and variables are not the main factors for customer satisfaction.

Therefore, from the interview of the manager and the data analysis, customer satisfaction of the hotel depends on the variables service

quality, price and corporate image and these variables the factor affecting customer satisfaction and indicates there is no difference between the interview and quantitative analysis.

Table 15: Summary of Hypothesis Testing Results

Code		Test Result
1	Ho1: Service quality will not have positive and significant effect on customer satisfaction among hotels in DBCH.	Rejected at $p < 0.000$ value
2	Ho1a: Tangibles will not have positive and significant effect on customer satisfaction among hotels in DBCH.	Rejected at $p < 0.000$ value
3	Ho1b: Reliability will not have positive and significant effect on customer satisfaction among hotels in DBCH.	Rejected at $p < 0.000$ value
4	Ho1c: Responsiveness will not have positive and significant effect on customer satisfaction among hotels in DBCH.	Rejected at $p < 0.000$ value
5	Ho1d: Assurance will not have positive and significant effect on customer satisfaction among hotels in DBCH.	Rejected at $p < 0.000$ value
6	Ho1e: Empathy will not have positive and significant effect on customer satisfaction among hotels in DBCH.	Rejected at $p < 0.000$ value
7	Ho2: Price will not have positive and significant effect on customer satisfaction among hotels in DBCH.	Rejected at $p < 0.000$ value
8	Ho3: Corporate image will not have positive and significant effect on customer satisfaction among hotels in DBCH.	Rejected at $p < 0.000$ value

(Sources: Own survey data 2019)

Summary of findings

In this study the demographic profile of the respondents' were more than 50% are male and 45% are females. In related to ages of the respondents, most of (85.2%) the customers who participated in this study are in between age of 21-40 years old. The remaining 9.1% and 5.7% are above 40 and under 20 age respectively. And 51.6% the marital status of the respondents are married and 46.4% are single and the remaining 2 % are divorces. The job of respondents' 41.9% employee and 43.9% are business owner and which covers 85.8 % of the respondents. The remaining 5.1% 4.8% and 4.3 % are student, other, and agriculture respectively.

Regarding the educational level of the respondents are 61.3%, master or higher, 20.5% bachelor degree, and the remaining 10.8% and 6.6%, diploma, secondary and below respectively. The experience of the

respondents in the hotels 62.1 % of the respondents have between 0-4 years and others 4 and above years' experience in the hotels. Also, the income of the respondents 44.7% are above 7000 thousand birr and 34.5% from 4000 to 7000 thousand birr. The rest of 19.7 % and 1.1 % are 2, 001-4, 000 and less than 2, 000 birr respectively and implies 79.2 % of the respondents are more than 4000 birr. The nationality of the respondents 90.88 % of the customers are Ethiopian and the rest of 9.11% are foreigners.

Finally, this shows that the majority of customer's demographic profile are understand the designed questionnaires and measure the level of customer satisfaction in the hotels. This study examined the effect of service quality dimensions, price and corporate image on customer satisfaction in Debre Berhan by using three specific objectives which were developed into alternative hypotheses and statistically tested using the Karl Pearson's zero order and regression using SPSS 24.0.

The first objective was to determine the effect of service quality, price and corporate image on customer satisfaction and study result shows service quality, price and corporate image significantly and positively affect customer satisfaction with values ($R^2 = 0.809$) being explained. The study results show five service quality dimensions of the assurance, responsiveness, reliability, tangibility and empathy have positive and significant effect on customer satisfaction and supported by earlier researchers. From the service quality dimensions' assurance has the highest attributes factors affecting the customer satisfaction means that there is problem in related to employee's behavior, consistently courteous, delivering service and knowledge to answer questions to the customers in the hotels. Also responsiveness has higher effect on customer satisfaction in means that, the hotels face problem related to providing prompt service, and safe environment willing to help, responding request and telling exact time the service will be perform. And reliability also has effect on customer satisfaction means that providing services at the time it promises to do, showing sincere interest in solving problems, convenient operating hours, hotel guarantees, error free billing and payment system.

Tangibility and empathy have effect on customer satisfaction which indicates the hotels face to provide satisfactory physical materials and equipment facilities, provide personal attention and understand specific needs and to be competent.

The second objective was to determine the relationship of service quality, price and corporate image with customer satisfaction of hotels in Debre Berehan and the study shows service quality, price and corporate image have positive relationship with customer satisfaction with values of ($R = 0.90$). The correlation analysis further revealed constructs have extensive correlation with customer satisfaction with the value of 0.90%

(service quality, corporate image and price) together and 0.885%, 0.626% and 0.600% separately respectively and considered as crucial determining for customer satisfaction.

The third objective was to determine to what extent effect of service quality, price and corporate image affect customer satisfaction in Debre Berehan hotels. The study shows service quality, price and corporate image affect customer satisfaction with 81% percent and customer satisfaction ($R^2 = 0.809$) being explained and this indicate service quality, price and corporate image perceptions were strongly associated, correlate and affect with service delivery to the hotel customers/guests, price and corporate image and which indicate face problem to charging fair price for food, beverage and bed, and providing clear, complete and understandable information, hotels product, location and attractiveness of interior design and external appearance, and efforts to benefits of the community.

The findings of this study support Debre Berhan city perceived service quality, price and corporate image and were explaining 73%.16%, and 12% variations in the customer satisfaction which are caused by service quality, price and corporate image performance respectively and the study results in line consistent with earlier research Rahman et al., (2012), Martínez & Bosque, (2015), with corporate image Feven et al (2016) and Birhanu (2017) related to service quality and Munneb (2018) related to price.

Conclusion

As indicated in the objective of the study, it is assess the factors that affect customer satisfaction and the status of satisfaction customers receiving services quality, price and corporate image at the hotel of at Debre Berhan city administration. The result shows the customers satisfied with service quality, price and corporate image provided by the hotels moderately. But, doesn't mean that hotels shouldn't strive further rather extend and widen the opportunity so as to satisfy the customers' needs and wants. So that, delivering quality service, providing fair price and building corporate image is not an optional for hotel industry at Debre Berhan rather a mandatory to be competitive and satisfy customers.

Customers' satisfaction is a key in hotel sector because of special nature of the service and it has intensive contact with infinite customers who have different needs and wants and required customized solution around the world struggle to finds methods through which they can improve the quality service since it leads to enhanced satisfaction. Having this in mind, the data collected from surveys are used as a great tool of performance indicators for hotels in Debre Berhan and enables the organization to realize quality of service, price and corporate image which provided from the view point of customers and hotels managers.

Based on the findings of the research, the following conclusions are drawn:

- i. Customer satisfaction of hotels industry of Debre Berhan city administration, highest and significant impact receives by service quality, price and corporate image respectively and providing highest service quality, fair price and corporate image results customer satisfaction in hotels industry of Debre Berhan city administration.
- ii. Among the service quality dimensions' assurance has the highest effect on customer satisfaction flowed by responsiveness, reliability, tangibility, and empathy.
- iii. The overall satisfaction of customers in the hotels, service is found to be moderate level and needed to improve by considering the existing situation of the city and hotels.
- iv. The study revealed there is no difference with service quality dimensions between the scopes of the hotels related to customer satisfaction in Ethiopian, but there is a difference with other countries in Croatian, Bangladesh and Vietnam.

Recommendations

Generally, based on the finding the following recommendations were drawn.

The hotels operators better to allocate resources to improve service quality (assurance, responsiveness, reliability, tangibility and empathy) dimensions respectively. Similarly, on the price and corporate image of the hotels, since it has significant effect on the customer satisfaction.

The hotels better to recruit employees to fulfill the customers' wants, interests and provide different training.

The hotels should improve their services delivery by establishing modern management and customer handling system related to service quality, price and corporate image.

Hotel managers' better to review their service quality, corporate image and prices regularly without any compromising in order to improve customers' satisfaction, and the hotels has to incorporate output of this study so as to create a more enjoyable experience for their customers' satisfaction.

Currently customers not only examined for basic services and facilities provided by a hotel, but also are expecting a high standard of personal service. Hotels owners better to ensure service quality by constantly, reviewing their customers' needs and wants, and strengthening customer service training programs for their employees at least annually.

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CLIMATE CHANGE PROPELLED MIGRATION: CASE STUDY OF A COASTAL VILLAGE

Kirti K Kalinga¹

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Abstract

Climate change and migration have been studied in a very mono causal way ignoring the complexity of their relationship. The present paper focuses on Satavaya, a coastal village in Odisha, which suffered mass migration due to sea level rise exacerbated by climate change. Lack of awareness of climate change impacts and lack of government apathy put them in very vulnerable condition. The researcher has tried to analyse their socio economic condition, their perception towards climate change, impacts perceived by them and the necessary adaptation measures they take to combat climate change.

Key Words: Climate change, Forced displacement, Migration, Satavaya, Coastal erosion, Adaptation

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Introduction

Migration and displacement because of environmental reasons is not a new issue. But the more recent phenomenon of climate change suggests that India will not only face the challenge of mass internal migration and displacement but also external migration, for which the country is inadequately prepared. The Intergovernmental Panel on Climate Change (“IPCC”) has already indicated that one of the greatest effects of climate change may be on human migration. According to the reports of The United Nations High Commissioner for Refugees (“UNHCR”) between 50 and 200 million people may be displaced by 2050 “either within their countries or across borders. The Stern report also highlighted the vulnerability of around 200 million people worldwide living in flood prone coastal areas and migration as their adaptation strategy. According to International Organization of Migration Report (2008), most of the global forums for climate change and migration concentrate on international migration relegating the mass internal movement.

¹ Phd research scholar, Utkal University, Odisha, India, kirtidash2@gmail.com

Here, it is pertinent to note that coastal areas are likely to be more vulnerable to climate change than inland areas because, in addition to changes in extreme events, flooding, precipitation and temperature, they will also be affected by wave heights and rise in sea level. According to IPCC and Integrated Coastal Zone Management Project (ICZMP) Odisha, the direct effects of these drivers and especially sea level rise include land submergence, inundation and coastal erosion, saltwater intrusion, wetland loss and change, coastal flooding, frequent storm surges, increased salinity and impeded drainage.

IPCC Report (2007) states that the impact of these drivers on coastal settlements include loss of life, property, critical physical infrastructure and coastal habitats, loss of transportation functions, tourism and recreation, impacts on aquaculture and agriculture through decline in water and soil quality, effects on health (food- and water-borne disease), effects on energy use, effects on water availability and resources, and loss of cultural heritage.

In its report *Climate Change and Migration in Asia and the Pacific*, the Asian Development Bank (ADB) predicted roughly 37 million people from India will be at risk from sea levels rising by 2050 and 1.4 billion Indians will be living in areas experiencing negative climate change impacts. Though socioeconomic factors continue to play pivotal role in migration but anecdotal evidence suggests that floods and loss of agricultural lands are catalyst in migration decisions. Therefore, the vulnerability of coastal areas to climate change and the lack of adaptive capacity along with other socio-economic variables will propel migration and displacement among different communities.

In India, due to sub-tropical location and a 480 km coast line, the state of Odisha is more prone to climate-mediated cyclones and coastal erosion and storm surges and tsunamis. The rivers in these areas with heavy load of silt have very little carrying capacity, resulting in frequent floods, only to be compounded by breached embankments. According to Greenpeace report Coastal Odisha will witness around 4 million climate refugees by 2100.

The present paper focuses on vulnerable Satavaya village of Satavaya Gram Panchayat of Rajnagar block in Kendrapada district in Odisha. The reasons for selecting this study location are the intensity of high disaster risk in the area, rising sea level as well as the fact that no scientific research has been done to find out the causal driving factors of recent migration.

Objectives

To document local experiences and perception of people for climate change

To enumerate major impacts of climate change perceived by the people

To explore the consequences of migration, due to climate change in the selected area.

To study the current adaptation and mitigation strategies followed by the communities to combat the effects of climate change.

Selection and Description of the Study Area

The study is a combination of descriptive and exploratory research design. A multi stage sampling procedure was followed; purposive sampling for study area and random sampling for respondents. In-depth interviews and Focus group discussions are used to elicit information from 50 respondents.

The study area Satabhaya is a cluster of hamlets located in Rajnagar block of Kendrapada district in Orissa and is selected on the basis of literature review which accords these locations as intense disaster prone and climate change areas.

Satavaya village is located in Rajnagar block of Kendrapara district in Odisha, India. It is situated 26 km away from sub-district headquarter Rajnagar and 66 km away from district headquarter Kendrapara . The village is very close to Gahirmatha Turtle Sanctuary, Bhitarkanika Wildlife Sanctuary. The total geographical area of village is 299 hectares.

Results and Analysis

Demographic/ Socio-economic characteristics of the village

Table No.1 Demographic characteristics

Total area in acres	299 hectares
Total number of Households	255
Total Population	1169
Total Males	616
Total Females	553
Main Occupation	Agriculture
Subsidiary Occupation	Fishing
Literacy	63.9%
Number of Households surveyed	50

The village has mixed population with heterogeneous social groups with schedule caste (SC) 17%, scheduled tribe (ST) less than 1 %, General caste and other backward classes (OBC) constitute the rest of the population. Majority of the households are below the poverty line. The road to village is kutcha and it is difficult to travel during rainy days. There is only one country boat which connects them to the rest of the world.

Table No.2 Assets in the sampled households

Total Households surveyed	50
Pucca houses	00
Sanitation	00
Electrification	00
Television	06
Radio	15
Mobile	50
Bank accounts	35
Bicycle	22
Motorcycles	09

The above table reflects that all the houses are made up of mud having thatched roof and no household has a toilet of its own which means sanitation is not considered as a priority among the younger or older generation. Another reason for this negligence is that since the villagers are waiting to rehabilitate to a near village called Bagapatia, they feel spending resource for any construction is a waste of time and money. There is no electric connection through state electricity board. However solar panels and traditional lamps are used in every household for lighting. Initially the solar panels were provided by a NGO called Eco club working over there. But by three to four years these devices became defective. Currently the villagers have got them from market. Since most part of the village has been engulfed by the sea and rest part is very susceptible to submergence due to sea level rise, the government and even the villagers refrain from investing in infrastructure. For the purpose of communication and getting information, mobile and radio are used. As the road to the village is an earthen road and there is no hospital in the region, for any medical emergency the patient/ pregnant women has to be carried on a cot. In recent times, most among the younger lot has migrated. This has led some families to accumulate savings, but this is not enough to settle in other villages. It seemed the villagers have a fair knowledge of banking services.

Livelihood Characteristics

Farming, daily wage labour and fishing are the main occupations in this village. Farming is mostly dependent on rainwater for harvesting paddy between July and December. More than 90% agricultural work is based on bhaga chasa (farming based on partnership). Though ladies are not directly involved in agricultural activities in the field, they help in post harvest operations. The rest of the year; many people migrate to nearby villages or even to Gujarat and Kerala for informal labour. The Mahatma Gandhi National Rural Employment Guarantee Act does not provide people with adequate jobs. The physical isolation makes them highly resource-dependent and reduces access to alternative livelihoods; this makes them especially vulnerable to any climatic disruptions. They also do not have adequate skills to go for other jobs.

During the researcher's visit, it was observed that from every household one or two adult male members have migrated mostly to Kerala in search of employment. They send the remuneration back home which helps in the sustenance of their family. It was observed that the villagers are no more interested in practising their tradition occupation. Various government schemes have made them lethargic and they do not attach importance to schooling and education.

Perception of people towards climate change

The researcher at first tried to find out the perception of people towards climate change and the impact of climate change on them.

Table No. 3 Perception of people towards climate change

Perception	Summer season		Rainy Season		Winter Season	
	Onset	Offset	Onset	Offset	Onset	Offset
Comes Early	46 (92)	08 (16)	06 (12)	20 (40)	02 (04)	40 (80)
Delays	00	32 (64)	41 (82)	15 (30)	45 (90)	08 (16)
No change	04 (08)	10 (20)	03 (06)	15 (30)	03 (06)	02 (04)

The figure in parenthesis presents the percentage

According to Table 3, most respondents experienced changes in the onset of the winter season (94%), the summer season (92%) and the rainy season (94%). Similar trend was observed on the offset of

seasons. Most respondents felt that the rainy season has become very uncertain and erratic. Even in a single year, there is a phase when there is no rainfall leading to a drought like situation and at other time it pours so heavily that fields are flooded leading to stagnation and crop loss. Respondents were more aware of climatic changes related to the rainy season and summer season.

Community members in the study area are prone to both slow and sudden onset disasters. They considered increasing soil and water salinity due to sea-level rise, salt water intrusion, creation of sand dunes changing rainfall pattern and drought as slow onset disasters and floods, cyclones, tidal water incursion and river bank erosion as sudden onset disasters.

People’s knowledge and awareness of climate change were increased by experience of severe events such as cyclone, storms or flooding. The local perception was that the climate had begun to change between 20 and 30 years ago. The massive cyclone that struck the region in 1971 resulted in a powerful sea surge that washed away three villages while another two were submerged in the low pressure of 1982. These were identified as the key turning points in people’s perception of climate and weather. Even though people were aware about climate change, their perception was just limited to one risk i.e. sea level rise and lacked understanding of the wider impacts and potential consequences. Poor awareness and understanding of the risks, and lack of local preparedness, are in part due to lack of effective communication of climate change impacts.

Table No.4 Perceived impacts of climate change

Areas where negative effects have been noticed	Numbers	Percentage
Poor crop production	50	100
Soil erosion	22	44
Increase in pests and diseases	04	08
Increase in household food insecurity	08	16
Poor livestock production	10	20
Houses washed away	50	100
Transportation has become difficult	25	50
Working has become difficult due to hotness	12	24
Increased suffering and poverty	14	28
Increased salinity	50	100
No negative effects cited	00	00

The major impact of climate change as stated by the respondents was washing away of houses. In 1971, most of their houses had washed away in the sea; even now also the sea is approaching fast. They reported of shifting few meters every year because the sea is continuously approaching towards mainland. Many of them pointing at the sea said that there remains their previous location which has been engulfed by the sea. At times of flood or cyclone, they remain completely cut off from the main land. All the respondents unanimously stated that crop production has been affected adversely because of increasing salinity and salt water intrusion leading to loss of soil fertility. For last three years, there has been no production. All this has led to increasing food insecurity. Another problem they face is that the sand blows and covers their roof tops. Transportation has always been a problem for the villagers because of the kaccha road stretching for 8kms. Though recently many households have motorcycles and cycle but in rainy days these also cannot be used because of the slippery mud road. As there is no hospital or a good school nearby women and children face a lot of problem and at times this has cost many lives.

Most of the respondent's focused on direct impacts of climate change and were less aware about the indirect impacts.

The poor and marginalized groups such as smallholders and subsistence farmers, share croppers suffer greatly and are faced with a double dilemma: they are more reliant on ecosystem services and thus more exposed to extreme events, but they are also less able to diversify their incomes when necessary.

Migration

According to International Organization of Migration Report (2009), Climate change is expected to affect the movement of people in at least four ways: (i) the intensification of natural disasters both sudden and slow-onset and extreme events will lead to increased displacement and migration; (ii) the consequences of increased climate variability will have impact on livelihoods, agriculture, public health, food security and water availability; (iii) rising sea levels will make coastal areas uninhabitable and millions of people who will have to relocate permanently; and (iv) competition over scarce natural resources potentially leading to growing tensions and even conflict and, in turn, displacement.

In case of Satavaya, the first three factors leads to the forced displacement of individuals from their lands. The primary causes of climate displacement in Satavaya are rise in sea level and riverbank erosion in the mainland areas. The key secondary causes of

displacement are tropical cyclones and storm surges in the coastal and river flooding in the mainland.

According to the respondents, people started to migrate after the Cyclone of 1971. The majority migrated to Okilapala of Gupti Panchayat and the rest settled at Kanpur. However, the Super Cyclone of 1999 and subsequent sea intrusion devastated Kanpur and the villagers who had to evacuate with no place to return to. In 2011 many more families relocated as the sea was getting aggressive by the day. They have now settled in the newly formed hamlets of Barahipur, Magarkanda and Rabindrapalli around the older hamlet of Balisahi.

As mentioned earlier, migration is not a new issue; men from rural areas often migrate to urban areas to find work for a few weeks during lean periods. But now, migration is increasing from the climate hot-spot Satavaya; not only large scale displacement following sudden onset disasters and sea level rise, but also the frequency and duration of routine economic migration and permanent migration resulting from slow onset events.

Women are the worst sufferers of migration. They are left as the sole family 'caretaker' and are burdened with more work including securing food for the family while the man is absent. In most cases men only leave enough money to sustain a family for a couple of weeks, so women must then generate income in addition to doing all the household work. This is not always culturally acceptable. In many cases, the children are pulled out of school and engaged in household and income generating work.

The debate between forced migration and voluntary migration does not apply here because people in Satavaya have no choice but to migrate, otherwise sea will engulf them and agriculture no more remains profitable there.

People do not want to migrate from their locality. They feel a sense of belonging for their land. From a 'human rights' perspective, every individual has the right to stay where they live. Any action by another human being that forces them to move from their home is violation of their rights. Human-induced climate change, particularly by rich nations, is thus a violation of the rights of others, and policymakers in India must continue to demand better mitigation of greenhouse gas emissions by industrialized countries through the UNFCCC process and other channels (Shamsuddoha et.al. 2012).

Migration is a multi-causal phenomenon. Change in climate may act as a strong catalyst for migration but it is usually compounded by social,

economic, political and other variables. Decision on migration depends on factors like availability of adequate resources, individual's attitude and respective social network and cultural ability to cope with change. For example, populations react differently to the climate change: while the rich are often the first to leave, the poor who are more vulnerable often lack the resources that would enable them to migrate. As a rule, most migration flows associated with environmental factors are internal displacements, often over short distances.

Adaptation by the Community

Adaptation by the community to natural disasters can be through technical strategies or non technical strategies. Technical strategies include combining materials for house construction, raising height of the floor, making the house thatch before the rains. Non technical strategies might include ensuring food security, livelihood security, community networks etc. The demand for rehabilitation from the state as well as the change of coastline keeps the community moving from one site to other. Structural adaptation by the community was observed to be minimum (Sulagna et.al. 2010). Earlier mangrove forest served as a great barrier to natural hazards. But with the growing destruction of these forests, adaptive capacity of these communities decreases. In case of Satavaya, whether migration served as a successful adaptation strategy or is an intimation of failure of adaptation needs to be answered.

Conclusion

From the above discussion it is evident that climate change has induced migration in the given study area. It has increased the vulnerability of the residents as well as reduced their adaptive capacity. But climate change is not the sole factor influencing migration and it is important to understand the interplay between the various local 'drivers of migration' in order to design and develop appropriate local and national level plans. In the current situation, the community members find it difficult to prepare for the risks or respond to specific events. The community has already tried to adapt with short term strategies but all went in vein. The costs of emergency action, prevention and recovery also pose a significant problem for them, burdening local authorities with already limited resources. The need of the hour is to rehabilitate the people from Satabhaya to Bagapatia. A holistic approach and sincere government actions are required to address the present problem.

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KEY FACTORS FOR INTENTION TO STAY OF MILLENNIAL EMPLOYEES: AN EMPIRICAL STUDY OF THREE INDONESIAN COMPANY SECTORS

Hanny¹, Gheany Sabrina², Dewi Tamara³

Abstract

The millennial generation will soon dominate the workforce in Indonesia. This generation has different characteristics from its predecessor. Various studies and surveys have found out that millennial employees have a tendency to switch their jobs within two years if they feel disengaged. Millennial employees are more interested in trying out different jobs before they settle on a career than the previous generation. This could increase the turnover rate of a company. This research strives to study the critical factors for intention to stay of the millennial employees in three company sectors in Indonesia, including oil and gas, airline, and FMCG. The three key factors are employee development, salaries and compensation, and work-life interference. Online surveys were sent to millennial employees from these three company sectors. A multiple regression analysis was then used to predict the relationship among the key factors with the intention to stay. The analysis results revealed that salary and compensation, and employee development had a positive influence on millennial employees' intention to stay, while work-life interference had a negative influence on intention to stay. The findings of this research are expected to help the human resource departments of these three company sectors and researchers to formulate an appropriate strategy to retain their millennial employees.

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Keywords: millennials, intention to stay, employee development, salaries and compensations, work-life interference

1 Hanny is the student of Magister of Management Program in Bina Nusantara University in Indonesia (hanny_analyte@yahoo.com)

2 Gheany Sabrina is the student of Magister of Management Program in Bina Nusantara University in Indonesia (sabrinasabrina@gmail.com)

3 Dewi Tamara is the lecturer of Magister of Management Program in Bina Nusantara University in Indonesia (dtamara@binus.edu)

Introduction

In the next coming years, millennial employees will soon replace baby boomers and gen X workforce (Friani & Mulyani, 2018; Arora & Dhole, 2018). Unfortunately, this generation has more intention to leave the companies within the first 2 years as reported by Deloitte Millennial Survey (2018). Many organizations are working to retain their employees as turnover might cause several issues for a company such as generating high turnover cost to recruit, hire, train, and acquire new employees, lowering company productivity and stability, giving a bad motivation for the rest of the employees, and giving a bad image to the company (Friani & Mulyani, 2018).

Referring to the data from the Central Bureau of Statistics in 2018, it is shown that the millennial employees occupy 32% of the total workforce in Indonesia. Dale Carnegie Indonesia (2016) revealed that 60% of the millennial employees intend to quit a company if they feel dissatisfied with the company. It is acknowledged that the millennial generation has different characteristics with the previous generation and hence, the company needs to have a different approach and strategy to retain its millennial employees (Saragih, 2016; Arora & Dhole, 2018).

There have been significant numbers of previous studies that examined the motivation factors of millennial employees to stay in a company. Muslim et al. (2018) identified that job security, salary increase plan, accountability, and working condition positively affected job retention for millennial employees in the oil and gas sector in Malaysia. Friani and Mulyani (2018) analyzed the factors affecting millennial turnover intention in Indonesia. Turnover intention is the opposite notion of staying intention. Friani and Mulyani (2018) discovered that the employee development scheme had a major impact on the employee turnover intention. This finding is opposite with the finding from Johari et al. (2012).

The different perspective might be due to different unit analyses surveyed. Friani and Mulyani (2018) found out that the employees from a large-scale organization and with a higher income demand a better development system so that they can get new knowledge, skills, and competency as required for their future careers.

Johari et al. (2012) discovered that the scheme of growth and training has less of an impact on the intention of employees to remain in manufacturing companies. It was due to the dominance of the respondents being secondary school diploma holders, and hence, they only required basic understandings and abilities in their job performance.

Frian and Mulyani (2018) also found that salary had no impact on employee intention to stay. This effect differs from the finding by Muslim et al. (2018). The respondents of the study by Muslim et al. (2018) were derived from oil and gas industry employees. Generally, the oil and gas sector is a mature industry where the system in every oil and gas company has similarities in terms of business processes and organizational behaviour. The employee development towards this industry is minimal and hence, the remaining attractive factor for its employees is a big salary.

The other motivating factor for intention to stay is work-life interference as confirmed by the study finding from Arora and Dhole (2018) and Cheng et al. (2018). However, this factor has not been studied intensively in an Indonesian millennial context and hence, this factor will be further analysed in this research.

This research aims to answer the following research questions.

Do salary and compensation have a significant impact on the intention of millennial employees to remain in a business?

Do employee development and training have a significant impact on the intention of millennial employees to remain in a business?

Does work-life interference have a significant impact on the intention of millennial employees to remain in a business?

More specifically, the two goals in this study are:

To investigate the key factors of intention to stay in a millennial company in three company sectors in Indonesia.

To give insights for the companies on which factors should be attenuated to retain their millennial employees.

This study object will be performed on millennial employees in three Indonesian business industries: oil and gas (Pertamina Hulu Mahakam), airline (Garuda Indonesia), and FMCG (P&G, Nestle, Unilever) in order to attain the goals.

This research paper consists of 5 parts which are the Introduction, Literature Review, Hypothesis Development and Research Method, Results and Discussion, and eventually, the Implications, Limitations, and Recommendations for Future Research.

Literature Review

Intention to stay is an intention to work for the current employer and stay longer with their full commitments and their willingness to remain employed (Jauhar, 2016). Johari et al. (2012) defined intention to stay as the intention of the employee to remain working for the current employer for a long-term period and is the reversal concept of turnover intention.

Garcia (2017) found that millennial employees would stay in the company if they were perceived as being valued, respected, and developed for their careers. A company should develop reinforcements and adjustments of human resource management strategies towards the millennial generation as they dominate the workforce and become a company leader soon (Friani & Mulyani, 2018).

Studies conducted by several researchers found out several factors affecting employee intention to stay are salary and compensation (Muslim et al., 2018; Johari et al., 2012), work-life balance (Horng, 2018), work-life interference (Cheng et al., 2018), career development (Kuo et al., 2018), and employee development (Friani & Mulyani, 2018). In this research, the dependent variable is the intention to stay, whereas the key factors such as salary and compensation, employee development, and work-life interference are the predictor variables. The unit analysis of this research is millennial employees from three company sectors in Indonesia: oil and gas (Pertamina Hulu Mahakam), airline (Garuda Indonesia), and FMCG (P&G, Nestle, Unilever).

Salary and Compensation

Salary and compensation itself is defined as a form of reward that a company pays to its employees (Anter & Lopian, 2016). Furthermore, John and Teru (2017) define salary and compensation as monetary benefits that are given to employees both intrinsically and extrinsically. The components of salary and compensation as described by Chepchumba and Kimutai (2017) include basic salary, insurance, medical benefits, travel allowance, and retirement plan benefaction.

Based on Deloitte Millennial Survey (2018), it was shown that rewards/benefits played a significant factor for millennial employees to consider working in a business. This finding is also supported by Muslim et al. (2018) who analysed the leading factors for millennial employees in the oil and gas sector. Salary increase had a significant influence towards employee job retention. The higher the salary was, the higher the millennial employees' intention to stay in a company was (Muslim et al., 2018). Arora and Dhole (2018) also found that the higher the salary and benefits offered by another company was, the higher the employee intention to leave the current employer would be. In contrast to the previous finding, Friani and Mulyani (2018) discovered that salary and compensation did not have an influence on turnover intention on the millennial generation in Indonesia. Millennial employees seem to value other motivation factors rather than the monetary benefits.

Hence, based on this gap, this research will aim to reconfirm whether salary and compensation affect the millennial employees' intention to stay in various company sectors in Indonesia. The research hypothesis will be:

H1: Salary and compensation have a positive influence on millennial employees' intention to stay in a company.

Employee Development

An employee development system is one of the HR strategies to improve the employee skills and competence required to conduct their current or future jobs (Mondi & Noe, as cited in Johari et al., 2018). Development and training is also defined as providing the employees with basic knowledge and skills, so that the employees can meet the company's standards (Costen & Salazar, 2011). Training and development helps the employees to develop their careers (Chen, 2014). By giving effective training, employee job satisfaction and productivity will also increase. Satisfied and productive employees will increase employee intention to stay in a company and help the company to meet its organizational goals (Chen, 2014; Ali et al., 2015). Friar and Mulyani (2018) studied the millennial generation turnover intention in Indonesia. They found out that a company with a good development system for its employees would reduce the millennial employee turnover intention. This finding is also supported by research conducted by Horng (2018) who studied factors affecting millennial generation retention in the food industry in Malaysia. Horng (2018) concluded that employee development and training has a beneficial impact on employee retention.

However, a different perspective was given by Johari et al. (2012). Johari et al. (2012) studied the factors affecting employee staying intention in a manufacturing business in Malaysia. The results of the research showed that training and growth did not affect the employee intention to remain in the company. The possible causes were the employees surveyed were coming from the manufacturing sector, which only required basic skills and knowledge to perform their jobs. In addition, Johari et al. (2012) found that through the experiences they obtained in each business, millennial employees could acquire training and growth possibilities.

Hence, in order to re-confirm the finding above, a survey will be conducted on millennial employees from various sectors in Indonesia in order to prove the following hypothesis:

H2: Training and development has a positive influence on millennial employees' intention to stay in a company.

Work-Life Interference

Work-life interference is a condition where the employee's professional and personal affairs demands are mutually incompatible, which causes inconvenience in engaging in both work and life roles (Parasuraman & Greenhaus, 1997). Ryan et al. (2010) defined work-life interference as a challenge in participating in work and non-work domains. Work interferes with many other life roles that support one's lifestyle, health, leisure, companionship, household management, romantic relationship, and education (Ryan et al., 2010). Although there are the flexible work practices that are considered as a solution for the long work hours, there is still a growing concern about stress and work-life interference (Fein et al., 2017).

A high level of work-life interference contributes to job discontent and therefore affects the choice of employees to remain in a business (Grzywacz et al., 2006).

Employees' intention to stay can be strengthened by providing valid reasons for employees' values for working and living (Flowers & Hughes, 1973). Millennials are unique, essential, and engaged in social and future developments, and they have also grown through regulation and security instruments (Friani & Mulyani, 2018). Family time is a priority for the millennial employees' for this reason; companies should focus not only on giving flexible hours for millennial employees but also in practices that support work-life interference. The human resources that practice enhancing work-life balance motivate millennial employees and should increase intentions to stay (Calderon, Garcia, & Gallo, 2018).

Creating a happy and healthy work environment to maintain a work-life balance is essential. A work environment that supports millennials' lifestyles can be one of the factors to have a more productive workforce in the current contemporary era (Kohl, 2018). The culture of a company nowadays that forces its employees to work 24/7 is aligned with the evolution of technology. To be productive and physically and mentally refreshed, employees should separate work and their personal lives. (Zimmerman, 2017).

Boamah and Laschinger (2015) found that work-life interference positively impacts employee turnover intention. They suggested to organizations to promote a family-friendly work environment and flexibility in work schedules to suppress the turnover intention rate.

In Indonesia, there have not been many studies covering work-life interference as a factor affecting millennial employee intention to stay in a company. Hence, this research fills this gap, and the research hypothesis is formulated below.

H3: Work-life interference has a negative influence on millennial employees' intention to stay in a company.

The research model is presented below.

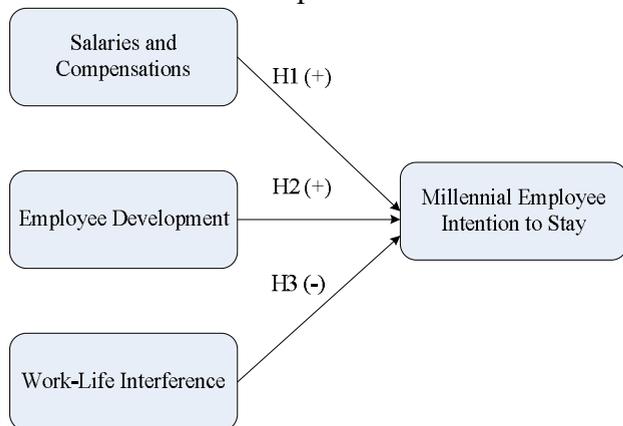


Figure 1: Research Theoretical Framework

From the model shown above, it can be implied that there are two independent variables that have a positive influence and one independent variable that has a negative influence on the intention to stay of millennial employees. These factors will be examined in three main company sectors in Indonesia: oil and gas (Pertamina Hulu Mahakam), airline (Garuda Indonesia), and FMCG (P&G, Nestle, Unilever).

The employee turnover rate has a direct impact not only on company revenue and profitability, but also low workplace morale and a decrease in the service or product quality (Markovich, 2019). Companies need to maintain the turnover rate every year to provide a higher quality workforce that will positively affect the overall company performance.

Material and Methods

A quantitative approach is used in this study to assess the relationship between independent variables (salary and compensation, employee development and training, work-life interference) and the dependent variable (intention to stay). The study of intention to stay is a correlational study and a non-contrived study setting with minimal interference of the researchers. The data is collected just once or called as a cross-sectional study.

Sampling

The object of this research will be millennial employees from three company businesses in Indonesia, including oil and gas (Pertamina Hulu Mahakam), airline (Garuda Indonesia), and FMCG (P&G, Nestle,

Unilever). These three company sectors are selected as they are categorized as three big industries in Indonesia and they represent both service (airline) and goods industries (oil & gas and FMCG). In addition, it is also found that the turnover rate of the millennial employees in these sectors is quite high (8-10% per year) according to LinkedIn Talent Solution (2018). It is worthy to study the factors affecting millennial employee intention to stay in these three company sectors. The unit analysis is the individual employees categorized as the millennial generation in the companies mentioned earlier.

An online questionnaire link will be sent to some online communication groups of each employee (i.e. WhatsApp and Facebook groups). Hence, the communication groups serve as the sampling frame.

The numbers of employees from each company (Pertamina Hulu Mahakam, Garuda Indonesia, Unilever, Nestle, and P&G) are 1885, 16647, 3400, 5922, and 500 respectively. The total number of employees from these sectors is 28354. The proportion of millennial employees is assumed to be similar to the proportion of the Indonesian millennial workforce from the Central Bureau of Statistics which is 32% from the total workforce. Hence, the total number of millennial employees from these companies is 9074 (32% from 28354 employees). For this research, the target sample size based on the population number (~10000) in referring to guidelines from Krejcie and Morgan (1970) is 370 samples.

The sampling design used in this research is convenience sampling which is more commonly used and less costly (Calderon et al., 2018; Friani & Mulyani, 2018).

Table 1 offers a socio-demographic profile of the participating respondents. The sample was dominated by female respondents (61.3%). The majority of the respondents were in the 30-35 age group (50%) and 66% were married. The number of children varied proportionally, and the majority were Bachelor's Degree graduates with monthly incomes above 20 million IDR. However, the majority were also non-managerial positions and had working experience of more than three years. The percentages of respondents from each company (Pertamina Hulu Mahakam, Garuda, and FMCG) are 41.9%, 36.3%, and 21.8% respectively.

Table 1. Respondents' Socio-Demographic Profile

	n	%
Gender:		
Female	76	61.3%
Male	48	38.7%
Age		
23-29	43	34.7%
30-38	81	65.3%
Marital Status		
Married	83	66.9%
Single	41	33.1%
Child Status		
0	63	50.8%
≥ 1	61	49.2%
Education level		
≤ Diploma	28	22.6%
≥ Bachelor's Degree	96	77.4%
Company Sector		
Pertamina Hulu Mahakam	52	41.9%
Garuda	45	36.3%
FMCG	27	21.8%
Position		
Managerial	23	18.5%
Non-Managerial	101	81.5%
Monthly Income		
< 20 Million IDR	47	37.9%
> 20 Million IDR	77	62.1%
Working Experience		
< 1 year	19	15.3%
> 3 years	105	84.7%

The total number of respondents is 124, which is only 33.5% from the targeted samples (370). However, based on Hair (2014), the minimum sample size for an exploratory factor analysis is 50. Hence, the total respondents still met the cut off value.

Data Collection

The data for the main study was collected from June to July 2019 with online surveys. Several millennial research topics, such as research by Calderon et al. (2018) and Friar and Mulyani (2018) used online

questionnaires. Online questionnaires were selected as they provide more access to people or groups, have faster distribution, and are less costly (Sekaran & Bougie, 2016). The questionnaire link was distributed to several online employee group chats (i.e. WhatsApp and Facebook), and there were no incentives given to the respondents after completing the surveys.

Measure

The measure of each variable is presented below.

Intention to Stay

The questionnaire questions addressing millennial employees' intention to stay were adopted from Kuo et al. (2018). There were three items of intention to stay with five-point Likert scale statements. The scale ranges from 1 (strongly disagree) to 5 (strongly agree). The questionnaire items can be found in Appendix A.

Salary and Compensation

Salary and compensation questionnaire questions were also adopted from Kuo et al. (2018). There were 18 salary and question items with a five-point Likert scale. No scale items had a reverse score. A Cronbach's alpha coefficient was used to verify the reliability of each construct, while a factor analysis verified the validity. The questionnaire items for salary and compensation are available in Appendix A.

Employee Development

Employee development questionnaire questions were adopted from Johari et al. (2018). There were five items with a five-point Likert scale. The questionnaire items are listed in Appendix A.

Work-Life Interference

This work-life interference was adopted from Cheng et al. (2018). There were five items for this variable with a five-point Likert scale ranging from 1 (never) to 5 (almost always) for question numbers 1-4 and a scale ranging from 1 (not at all satisfied) to 5 (very satisfied) for question no 5. Question number 5 was reverse coded.

The questionnaire questions as adopted from Cheng et al. (2018) are summarized in Appendix A.

In addition to the operational measures above, the respondent profiles were inquired, consisting of gender, age, marital status, etc.

Data Analysis

The responses given by each respondent were averaged and the reliability of each construct was verified by using Cronbach’s alpha coefficient, while the construct validity was checked by using a factor analysis (KMO and Bartlett’s test, communalities, and component matrix). In order to observe the relationship between independent variables (salary and compensation, employee development, and work-life interference) and the dependent variable (millennial employees’ intention to stay), a multiple regression analysis was used, and the analysis was conducted using SPSS 24.

The variable definition for this research is shown in the following table.

Table 2. Variable Definition

Variable	Definition	Variable Name	
DV	Dependent variable	Intention to Stay	INTENTION (INT)
IV1	Independent variable 1	Salary and compensation	SALARY (SAL)
IV2	Independent variable 2	Employee Development	DEVELOPMENT (DEV)
IV3	Independent variable 3	Work Life Interference	WORK INTERFERENCE (WI)

Results

Validity and Reliability of Measurements

Some instruments such as SAL12 and SAL18 are not valid based on the validity test. Hence, these items are not in the assessment. The validity test results are shown below.

Table 3. Validity Test Results

Test Construct and KMO Result	INT	SAL	DEV	WI	Component Matrix	
					1	2
KMO Result	0.728	0.899	0.771	0.767		
Communalities						
INT1	0.748				0.865	
INT2	0.809				0.899	
INT3	0.773				0.879	
SAL1		0.832			0.776	
SAL2		0.745			0.763	
SAL3		0.543			0.687	
SAL4		0.602			0.728	
SAL5		0.87			0.746	
SAL6		0.755			0.753	
SAL7		0.622			0.736	
SAL8		0.654			0.721	
SAL9		0.624			0.633	
SAL10		0.769			0.789	
SAL11		0.82			0.808	
SAL13		0.566			0.605	
SAL14		0.772			0.744	
SAL15		0.751			0.705	
SAL16		0.524			0.697	
SAL17		0.335			0.549	
DEV1			0.66		0.813	
DEV2			0.775		0.88	
DEV3			0.75		0.866	
DEV4			0.576		0.759	
DEV5			0.622		0.788	
WI1				0.668	0.786	
WI2				0.612	0.78	
WI3				0.664	0.802	
WI4				0.534	0.729	
WI5				0.973		0.962

Cronbach’s alpha was used to verify the accuracy of the constructs. Cronbach’s alpha values for each variable are INT = 0.856, SAL = 0.936, DEV = 0.879, and WI = 0.707. Cronbach’s alpha usually has a lesser limit of 0.7 (Hair, 2014). All coefficients of the reliability are above the limit, so all the remaining instruments are valid and reliable.

Hypothesis Testing

There were three hypotheses proposed in this study. A multiple regression analysis in SPSS version 24 was conducted to test the hypotheses. Hair et al. (2014) proposed that 1.645 with $\alpha = 0.05$ would be the critical t-value for a one-tailed test. The results of the testing are shown in the following table;

Table 4. Multiple Regression Analysis Results

IV	Standardized coefficients (Beta)	t-test	p-value	Hypothesis testing results
SAL (IV1)	0.368	4.88	0	Supported
DEV (IV2)	0.418	5.515	0	Supported
WI (IV3)	-0.155	-2.311	0.023	Supported
DV = INT	R2 = 0.468, F = 35.23, p-value = 0.000			

From the above table, it is shown that all the hypotheses in this study are supported (all p-values < α). It is also shown that among all the independent variables, DEV has the most significant influence towards INT (t-test = 5.515).

The R2 shows that three predictors can explain 46.8% of the variance in the dependent variable, while the other 53.2% were influenced by the variables that were excluded in this research.

Discussion

This study tested the relationship between three factors (salary and compensation, employee development, and work-life interference) with intention to stay of millennial employees in three company sectors (Pertamina Hulu Mahakam, Garuda, and FMCG). This study gives insights for the companies on which factors should be attenuated to retain their millennial employees, as this generation will soon dominate the workforce in Indonesia. Multiple linear regression results showed that all hypotheses were supported.

The first factor analyzed was salary and compensation which had a positive influence on intention to stay for millennial employees. This finding is supported by the findings from Kuo et al. (2018), Muslim et al. (2018), and Johari et al. (2012). Millennials perceived salary and compensation as an important factor to fulfill their basic needs and to support their lifestyles (Kuo et al., 2018). A millennial survey conducted by Robert Walters (2017) also mentioned that 25% of millennials will change their current jobs if the pay offered by another company is higher. Hence, it turns out that salary and compensation are still attractive factors for millennial employees to stay in a company.

The second factor analyzed was employee development. Employee development had a positive influence towards intention to stay. This data gives a compatible reason with the findings from Wen et al. (2018), Friani and Mulyani (2018), and Othman and Lembang (2017). In this study, development had the most significant factor among the others. Othman and Lembang (2017) proposed that a possible explanation was that when applying for a new job, millennials regarded training and growth as a method to improve their skills, understanding, and credentials. Employees who have not made enough strides, opportunities for development, and the ability to promote their expertise are most likely to quit their present work (Friani & Mulyani, 2018). Besides that, Deloitte Millennial Survey (2018) suggested that millennials are looking for employers that are able to give them the skills they require to succeed in Industry 4.0.

The last factor reviewed was the work-life interference. It is the inversion concept of work-life balance. The regression results showed that work-life interference negatively influenced millennial employees' intention to stay. The findings of Wen et al. (2018) and Buzza (2017) also endorsed this research outcome. Millennials are known as being more family-oriented and more flexible compared to the other generations as they hope to "work to live" rather than "live to work" (Wyatt, 2014). According to Wen et al. (2018), having a work-life balance for employees could assist a business to improve the well-being of employees, which in turn contributes to the commitment and productivity of employees. A high level of interference between work and life is associated with work discontent, absenteeism, as well as physical and psychological issues among employees (Boamah & Laschinger, 2015). In addition to the hypothesis testing above, an independent sample t-test (assuming equal variances) for differences in the mean scores of the socio-demographic respondents was also conducted. It was done to

observe if there was a significant difference of each variable towards the respondent profile. The results are shown below.

Table 5. Significance Test Results of Each Variable and its Demographic Profile

7	n	%	Mea n INT	SD IN T	Mea n SAL	SD SAL	Me an DE V	SD DE V	Mea n WI	SD WI
Gender										
Female	76	61.3	3.136	0.838	3.287	0.605	3.753	0.735	3.458	0.748
Male	48	38.7	3.090	0.960	2.871	0.722	3.392	0.866	3.275	0.660
			p-value = 0.780 (not significant)	p-value = 0.000 (significant)		p-value = 0.014 (significant)		p-value = 0.168 (not significant)		
Age										
23-29	43	34.7	3.147	0.859	3.273	0.630	3.688	0.816	3.470	0.756
30-38	81	65.3	3.103	0.902	3.048	0.698	3.573	0.801	3.343	0.698
			p-value = 0.791 (not significant)	p-value = 0.079 (not significant)		p-value = 0.449 (not significant)		p-value = 0.352 (not significant)		
Marital Status										
Married	83	66.9	3.076	0.907	3.120	0.715	3.648	0.762	3.340	0.731
Single	41	33.1	3.203	0.840	3.139	0.614	3.541	0.890	3.483	0.690
			p-value = 0.454 (not significant)	p-value = 0.885 (not significant)		p-value = 0.489 (not significant)		p-value = 0.298 (not significant)		
Child Status										

0	63	50.8	3.212	0.788	3.255	0.598	3.673	0.807	3.479	0.648
> 1	61	49.2	3.022	0.970	2.993	0.739	3.551	0.804	3.292	0.778
			p-value = 0.233 (not significant)		p-value = 0.031 (significant)		p-value = 0.400 (not significant)		p-value = 0.147 (not significant)	
Education Level										
< Diploma	28	22.6	3.536	0.590	3.344	0.438	4.036	0.514	3.657	0.684
> Bachelor's Degree	96	77.4	2.997	0.920	3.063	0.727	3.490	0.834	3.308	0.712
			p-value = 0.004 (significant)		p-value = 0.054 (not significant)		p-value = 0.001 (significant)		p-value = 0.023 (significant)	
Company Sector										
Pertamina Hulu Mahakam	52	41.9	2.904	0.856	2.893	0.683	3.273	0.789	3.208	0.692
Garuda	45	36.3	3.200	0.922	3.200	0.519	3.840	0.765	3.667	0.583
FMCG	27	21.8	3.395	0.795	3.451	0.771	3.889	0.673	3.267	0.843
(Pertamina VS Garuda)			p-value = 0.105 (not significant)		p-value = 0.016 (significant)		p-value = 0.000 (significant)		p-value = 0.000 (significant)	
(Garuda VS FMCG)			p-value = 0.365 (not significant)		p-value = 0.103 (not significant)		p-value = 0.785 (not significant)		p-value = 0.020 (significant)	

Position										
Managerial	23	18.5	3.551	0.782	3.601	0.551	3.817	0.751	3.226	0.737
Non-Managerial	101	81.5	3.020	0.879	3.018	0.663	3.566	0.813	3.424	0.712
			p-value = 0.0087 (significant)		p-value = 0.000 (significant)		p-value = 0.178 (not significant)		p-value = 0.235 (not significant)	
Monthly Income										
< 20 Million IDR	47	37.9	3.284	0.808	3.173	0.625	3.647	0.869	3.298	0.767
> 20 Million IDR	77	62.1	3.017	0.917	3.097	0.715	3.592	0.768	3.442	0.686
			p-value = 0.104 (not significant)		p-value = 0.551 (not significant)		p-value = 0.716 (not significant)		p-value = 0.281 (not significant)	
Working Experience										
< 1 year	19	15.3	3.298	0.761	3.411	0.567	3.874	0.890	3.295	0.875
> 3 years	35	84.7	3.086	0.903	3.074	0.689	3.566	0.784	3.404	0.689
			p-value = 0.337 (not significant)		p-value = 0.047 (significant)		p-value = 0.126 (not significant)		p-value = 0.545 (not significant)	

From the table above, it is shown that most of the t-tests showed there were no significant differences of each variable towards its respondent profile. However, a difference was shown in the company sector of Pertamina Hulu Mahakam that millennial employees had a lower intention to stay, perception of development, lower salary and compensation, and work-life interference compared to Garuda and FMCG employees.

Conclusions and Implications

For each company, Human Resources, and other researchers in Indonesia, this research has significant implications. The study indicates that employee development as well as salary and compensation have a positive influence on millennial employees' intention to stay in three company sectors (Pertamina Hulu Mahakam, Garuda, and FMCG). Companies should provide better and fair pay to retain their millennial employees.

A business should also invest in employee development as a means of reducing employees' probability of feeling the need to seek other employment (Wen et al., 2018) and eventually stay dedicated to the business itself. Since employee development constitutes the most important impact on the millennials' intention to stay, employee development should therefore be a top priority for these three business industries regardless of how it is done.

Work-life interference, as confirmed by this study, has a negative influence on millennial employees' intention to stay in the three company sectors. Hence, these companies should support the work-life balance implementation to keep their employees. Companies may improve the work-life balance by encouraging work coaching from senior to younger employees, promoting flexible working arrangements, ensuring the workloads are fairly distributed, offering a family-friendly work environment, promoting an open and collaborative organizational culture, and promoting a healthy lifestyle, art, and others (Kumar & Velmurugan, 2018).

Limitation and Suggestions for Future Research

Several limitations are found in this research. Firstly, the number of respondents could not achieve the target due to time constraints and respondent reluctance to respond to the questionnaire. Secondly, this study only focused on three company sectors, which are Pertamina Hulu Mahakam, Garuda, and FMCG. Hence, it cannot be generalized to other company sector millennial employees. Lastly, this research is restricted

to only three factors where from the R² value (Table 4), only 46.8 percent of the variance in stay intention can be explained by salary and compensation, employee development, and work-life interference. Other variances of 53.2 percent could be clarified by other factors not included in this research.

For future research, it is suggested to examine intention to stay in broader company sectors and to study other variables that might increase the accuracy of the study such as perceived leadership style, career progression, recognition of individual achievement, and organizational commitment.

Resources

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Appendix A. Items Used in Measuring Intention to Stay, Salary and Compensation, Employee Development, Work-Life Interference

Intention to Stay

The questionnaire items related to intention to stay given by Kuo et al. (2018) are as follows (scale 1 = strongly disagree, 2 = disagree, 3 = slightly disagree, 4 = agree, 5 = strongly agree).

If I were completely free to choose, I would prefer to continue working in this organization (INT1).

As far as I can see, I would remain in this organization indefinitely (INT2).

I expect to continue working as long as possible in this organization (INT3).

Salary and Compensation

The questionnaire questions related to salary and compensation developed by Kuo et al. (2018) are as follows (scale 1 = strongly disagree, 2 = disagree, 3 = slightly disagree, 4 = agree, 5 = strongly agree).

I am satisfied with my take-home pay (SAL1).

I am satisfied with my benefit packages (SAL2).

I am satisfied with my most recent raise (SAL3).

I am satisfied with the influence my supervisor has on my pay (SAL4).

I am satisfied with my current salary (SAL5).

I am satisfied with the amount the company pays toward my benefits (SAL6).

I am satisfied with the raises I have typically received in the past (SAL7).

I am satisfied with the company's pay structure (SAL8).

I am satisfied with the information the company gives about pay issues of concern to me (SAL9).

I am satisfied with my overall level of pay (SAL10).

I am satisfied with the value of my benefits (SAL11).

I am satisfied with the pay of other jobs in the company (SAL12).

I am satisfied with the consistency of the company's pay policies (SAL13).

I am satisfied with the size of my current salary (SAL14).

I am satisfied with the number of benefits I receive (SAL15).

I am satisfied with how my raises are determined (SAL16).

I am satisfied with the differences in pay among jobs in the company (SAL17).

I am satisfied with how the company administers pay (SAL18).

Employee Development

The questionnaire items related to employee development given by Kuo et al. (2018) are as follows (scale 1 = strongly disagree, 2 = disagree, 3 = slightly disagree, 4 = agree, 5 = strongly agree).

I am given opportunities to upgrade my knowledge (DEV1).

I am given opportunities to upgrade my skills (DEV2).

I am given opportunities to upgrade my performance through continuous training (DEV3).

I received necessary training to perform my job well (DEV4).

I am given the opportunity to be involved in activities that promote my professional development (DEV5).

Work-Life Interference

In relation to the balance between your work and the rest of your life, how often does your work (scale 1 = never, 2 = rarely, 3 = every once in a while, 4 = sometimes, 5 = almost always):

Interfere with your responsibilities or activities outside of work (WI1).

Keep you from spending the amount of time you would like with family or friends (WI2).

Interfere with your ability to develop or maintain connections and friendships in your community (WI3).

Thinking about your life in general, how often do you feel rushed or pressed for time (WI4)? (scale 1 = never, 2 = rarely, 3 = every once in a while, 4 = sometimes, 5 = almost always)

Thinking about your life right now, how satisfied are you with the balance between your work and the rest of your life (WI5)? (scale 1 = not at all satisfied, 2 = slightly satisfied, 3 = somewhat satisfied, 4 = satisfied, 5 = very satisfied, reverse coded).

SOCIO-ECONOMIC RELATIONSHIPS AND SHARP PRACTICES IN PETROLEUM PRODUCTS RETAIL OUTLETS

Bolawale Abayomi Odunaike¹

Abstract

Regular supplies of locally consumed petroleum products have become a peculiar problem characterised with incessant scarcity. Even when available, there are consumer's scepticisms on the amount dispensed in currency against the volume in litres which has not been empirically proven except for some media reports. However, the study examined consumers' experience by evaluating sharp practices among actors at dispensing arm of the distribution network during scarcity and normalcy periods. The study hinged on Actor Network and Anomie theories as its theoretical underpinning. Research design was descriptive which relied on qualitative research methods. A total of twenty-seven (27) In-depth interviews, five (5) key-informant interviews and six (6) sessions of Focus Group Discussions were conducted among purposively selected filling station employees, dispenser engineers and officials of the regulatory agency, and consumers (commercial drivers and private car owners) respectively across three purposively selected towns in Ogun state. Information gathered were transcribed, coded, and analysed using content analysis and thematic analysis facilitated by NVIVO (version 11). The study established that there were different forms of sharp practices ranging from organisational to individual depending on beneficiaries. Also, the practices were more prominent and high-flying in border areas irrespective of category of marketer.

Keywords: Sharp practices, scarcity, petroleum products, distribution networks, Anomie theory

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¹ Department of Sociology, Faculty of Social Sciences, Lagos State University, Lagos, Nigeria. bolawale.odunaike@lasu.edu.ng
bolawaleodunaike@yahoo.com

Introduction

Petroleum products distribution networks consist of individuals, groups and organisations performing various functions in ensuring availability of products to the final consumers timely, in required quantity, quality and at regulated prices. However, regular supplies of petroleum products particularly the Automotive Gas Oil (AGO), Premium Motor Spirit (PMS) and Dual Purpose Kerosene (DPK) which are locally consumed by individuals, family units, small-scale businesses, firms and factories have become a peculiar problem. This is because the distribution network is characterised with sharp practices that negates regular supplies of products for domestic and commercial purposes (Ohimain, 2013).

In order to overcome the distribution bottlenecks and ensure regular supplies of petroleum products to all parts of the country with required standard, the federal government through the Ministry of Petroleum Resources, Nigeria National Petroleum Corporation (NNPC) and its affiliated agencies had in the past came up with some policies that would ensure effective distribution, uniform pricing and value for consumers' money (Christopher and Adepoju, 2012). In the quest to make sure that consumers enjoy exceptional services from the marketers, the government established regulatory agencies to monitor dispensing activities at retail outlets. The functions of these agencies among others are to check the calibration of dispensers, certify dispensers fit for sales, and monitor general dispensing activities at the retail outlets of petroleum marketers. Secondly, the establishment of the Petroleum Equalisation Fund (PEF) by the government to ease distribution problems in terms landing cost when products are loaded outside designated depots of the marketer (Sanni, 2014); subsidy addition to the landing cost of products for price regulation (Onyishi, Eme and Eme, 2012), among others.

Despite all the machineries put in place, local supplies and distribution of petroleum products are still faced with an array of problems. The problems have become a plague disturbing effective distribution process at a very reckless rate. The more conspicuous among the catalogue of problems identified include: price shocks and fluctuations, product adulteration, fatal explosion due to pipeline vandalisation (Roberts, 2004), incessant scarcity of products since about ninety per cent (90%) of locally consumed refined petroleum products are imported (National Bureau statistics, 2018).

In this light, several studies had been carried out in various academic fields ranging from Engineering, Natural Sciences, Management Sciences, Social Sciences and Humanities, Transport and Logistics, etc., to examine challenges and offer the solution to these problems within the petroleum distribution networks. Recent empirical studies that

had been done in this area have always been limited to assessment and evaluation of the distribution of petroleum products (Somuyiwa, 2010; Ehinomen and Adeleke, 2012; Ojakire and Ekoko, 2012; Ohimain, 2013; Ehikwe and Ngwoke, 2013; Alaba and Agbalajobi, 2014), pipeline vandalism (Achebe, Nneke and Anisiji, 2012; Lawal and Ese, 2012; Okoli and Orinya, 2013; Oluwatuyi and Ileri, 2013), product adulteration (THARBY, 2002; Ale, 2003; Obodeh and Akhere, 2010; Osueke and Ofondu, 2011), logistics and marketing (Mahendra, 2013; Onigbinde, 2014).

Of all these studies, none examined the social interaction and practices among individuals, groups and firms in the process of getting petroleum products across to the ultimate consumers. Some of these practices were informal and unconventional but may have a strong effect on the distribution of products at the right time, to the right place, same quality and required quantity and at uniform prices. Except for some media reports in Nigeria, other parts of Africa and even in the advanced countries (Torres, 2007; Walter, 2008; Kanaan, 2010; Boko, 2012; Ovbiagele, 2012; Okere, 2013; The finder, 2014; Salau, 2015; Aderanti, 2016; Banjo, 2017; Okosun, 2017), the specific areas of sharp practices by filling station staff and management as well as consumers experiences have been left empirically uninvestigated. Therefore, this study revealed the sharp practices experienced by consumers at the distribution arm of the distribution network both individual and organised based.

Objectives of the Study

Identify the various forms of sharp practices in petroleum products retail outlets in Ogun state, Nigeria.

Examine consumer experiences in petroleum products retail outlets in Ogun State, Nigeria.

Brief Literature Review

Motivating factors crime and corrupt practices at the micro level has not been given enough attention as the crime in the macro society (Adams and Hicks, 2000). The root of fraudulent activities sometimes is external to the organisation in question. Most times, it is the individuals need for money, either real or perceived, which can be related to greed. This financial need can arise from medical expenses, college and wedding cost, cost of nursing, home care for parents, drugs, and alcohol, gambling, supporting multiple family units, living beyond income excessive vacation and travel, etc. (Abagnale, 2002). Also, work group influence plays a vital role in affection for affluence. People are socialised into work groups and tend to follow suit with the situation they found on the ground instead of becoming antagonists, especially at their

early stage of engagement. However, Individuals take advantage of every opportunity to satisfy their financial need, especially when stealing appears to be easy and perceives a low probability of getting caught (Cressy, 1973). These motivating factors of corrupt practices can be explained through a model called the Cressy's Fraud Triangle.

The work of Cressy (1973) focused on embezzlers. Cressy refers to the term as 'trust violators.' In his words, trust violators perceive that they have a financial problem, which is non-sharable. They believed that financial problem could be secretly resolved by violating the financial trust attached to their position and having the perceived rationalization that stealing is not wrong.

Before publishing his book titled "Other People's Money" in 1953, Cressy interviewed 133 prison inmates who had been convicted of fraud for about fifteen hours. Based on his findings, he theorized that for fraud to take place, three conditions must be available. The conditions are:

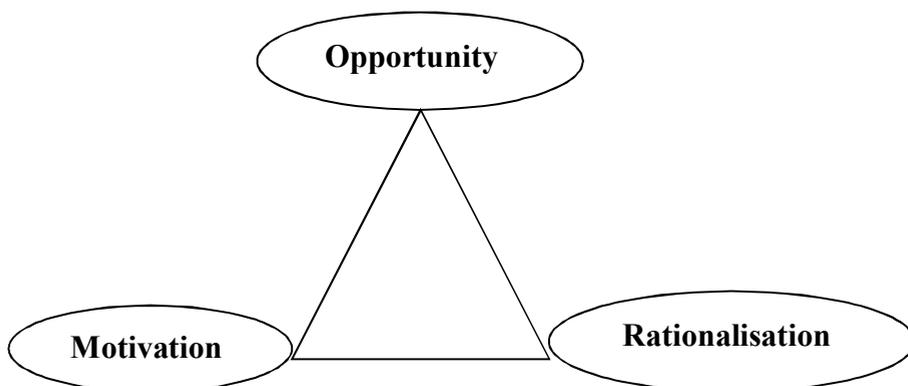
Financial problems that are non-sharable and the opportunity to violate the trust

Means with the knowledge of the workings of the organization

Rationalization of the crime with themselves.

This made him further postulates a model referred to as the Cressy's Fraud Triangle. He used this model to harmonise and explain these three conditions. This model goes thus:

Figure 2: Cressy's Triangle



Source: Edith Fikes (2009)

According to Cressy, the first factor that necessitates corrupt practices is that there has to be a perceived financial need by the individual. In as much as there is a defined financial need, the individual device or find out opportunities to steal. Finally, rationalisation comes in to play, that is the decision whether or not to steal despite pressing needs and opportunities available.

The three components of the Cressy's fraud triangle are explained thus:

Motivation:

There are several motivational factors that may push individuals to engage in corrupt practices (Morrison and Robinson, 1997). Some of the factors are perceived psychological contract, culture, climate, social factors, demographics, or opportunity. It is not uncommon for an individual to believe that there is a psychological contract between an employer and the employee that has reciprocal obligations (Fikes, 2009). These obligations may likely be based on perceived promises that may not necessarily be recognized by the organization (Morrison and Robinson, 1997). Secondly, it is possible that culture motivates crime. When ethical violations occur most times, corporate culture is the culprit. A business environment can encourage dishonesty if there is a high level of perceived levity by regulatory bodies to uphold the corporate culture of the system (Shover and Hochstetler, 2002).

Social factors are factors related to the imitation of theft behaviour by individuals instead of making reports to constituted authorities. The decision to engage in theft via imitation may be as a result of the fact there are no negative consequences for such behaviour or the low possibility of being disciplined (Schmidtke, 2007).

Opportunity:

It is still not known what factors encourage or discourage employee theft and crime. Opportunities present themselves, and certain variables encourage or discourage theft behaviour (Greenberg, 2002). According to Felson and Clarke (1998), there are three opportunity approaches. These are the routine activity approach, crime pattern approach, and rational choice perspective.

The Routine Activity Approach started as an explanation to predatory crimes in which three elements are present:

The offender must be motivated

There must be a suitable target

There must be an absence of an actor that could prevent crime.

If one of the elements is missing, then corrupt practices are not likely to take place.

The crime pattern approach expressed that people interact with their physical environment, either producing more or less crime based opportunity. There are three main concepts: nodes, paths, and edges. Nodes refer to a sense of movement in which people move from one

place to another with crime opportunities. Crime perpetrators will use the paths that are part of their everyday activity. The edges refer to boundaries of insiders and outsiders. Insiders commit more crime closer while outsiders tend to offend at the edges of their own areas (Felson and Clarke, 1998).

The rational choice approach focuses on the employees' decision making. The assumption is that the offenders' behaviour is purposive and will serve as a benefit in one way or the other. Offenders' goals are generally short-term, while long-term costs and benefits of the crime are typically not considered.

Rationalization:

Piquero, Exum, and Simpson (2005) integrated the notion of "desire-for-control" and "rational choice." They posit that offender possesses personal characteristics such as a tendency toward risk and recklessness, ambitiousness and drive, and egocentricity along with a hunger for power. Individuals desiring more control may be unable to realize an appropriate end to reach for control, and are likely to engage in violations of rules and laws. Therefore, crime is chosen because the benefit outweighs the perceived cost associated with committing the crime.

Motivation, Opportunity, and Rationalisation are very important factors that promote and hinder corrupt practices within the distribution network of petroleum products. It should be noted that corrupt practices, in turn, hinders the effective distribution of petroleum products as hoarding, adjusting dispensing pumps to under-dispense, adulteration of products, patronage of pipeline vandals, etc., becomes the common practices which are not healthy for effective distribution (Olorunsola, 2012).

Theoretical Framework

Anomie theory (Robert K. Merton)

The theory of anomie provides a useful theoretical framework to examine deviant and unethical behaviour from a sociological perspective. The concept of anomie has been defined in sociological terms as a condition of normlessness or the suspension of rules and behavioural guidelines which creates a moral vacuum (Coser, 1964). Anomie is a state of flux or transition that exists in a society or group when old normative structure has been interrupted and new ones were established. In order for anomie to occur, there is a presupposed condition that norms and rules previously existed, and that some sort of social condition disrupts the state of being, leaving the group members unsure of what is expected of them (Merton, 1957; Cloward, 1959). As a result, the cultures equilibrium is distorted and the regulating norms of tradition are destroyed. Therefore, the period of anomie is expected to experience more tendencies for individuals to engage in deviant acts (Durkheim, 1951; Cloward, 1959; Coser, 1964).

Although, there are rules and regulation put in place by regulatory bodies, these norms are suspended because of weak institutional quality of enforcement (Isham, 2003). Shortage in supply of petroleum products leads to scarcity which can be regarded as a state of anomie. During this period, a handful of sharp practices would surface such as fuel adulteration, meter adjustment and manipulations, black market operations, hoarding, fuel theft during transportation among others. When normalcy returns and scarcity disappears, it is likely impossible for actors to abide with the formal norms which has been replaced with new set of norms. Dealing with the malaise of sharp practices in the sector may appear complex and intractable when the government agencies and regulatory bodies lack transparency in managing the affairs and activities of petroleum distribution in Nigeria.

Methodology

The study adopted descriptive research design which relied on the qualitative method of research using the In-depth interviews, key informant interview, focus group discussions and non-participant observation for its data collection. The study location for this study was Ogun State. Three towns were purposively selected to have a spread of the study to the three geographical parts of the state. They were Abeokuta (central), Idiroko (west) and Sagamu (east).

The study population and technique of data collection are displayed in table 1 below:

Table 1: Study Population and technique of data collection

S/N	Study Population	Number of Respondents	Technique of Data collection
1	Filling Station Owners	3 (one each from selected locations)	IDI
2	Filling Station Managers	6 (1 each for category of marketer per selected location)	IDI
3	Filling station Attendants	12 (2 each for category of marketer per selected location)	IDI
4	Black Market Operators	2 (selected from informal outlet around the depot)	IDI
5	Dispensing-Pump Engineers	3 (one each from selected locations)	KII

6	Officials of Regulatory Agency	2 (selected from DPR office at the depot)	KII
7	Consumers: private/commercial	12 sessions with eight respondents per session that is, two sessions each for private and commercial per location	FGD
8		24 Randomly selected filling stations, 4 each of major and independent retail outlets in the 3 selected areas	Non-Participant Observation (NPO)

Data Presentation and Findings

The forms of sharp practices experienced by consumers were broadly divided into two parts: Organisational and individual based practices.

Organisational-based sharp practices

The filling station management was the beneficiary of the organisational corrupt practices. Basically, organisational sharp practices based its premise on what majority of the filling station managers referred to as 'clearance'. According to them, 'clearance' regarding volume dispensed was officially given by the regulatory agency on every dispenser with an assumption of a 'minus' and not exact volume. The filling station management capitalised on the 'clearance' supposedly given to permanently make their dispensers under-dispense. On the contrary, the regulatory agency officials and few owners debunked this claim. The owners mentioned that 'clearance' was given to marketers unofficially by corrupt officials of regulatory agency for specified amount monthly per filling station, therefore, any filling that was willing to go beyond the clearance would pay more.

A filling station manager said:

There is what we call 'clearance' on volume dispensed. This 'clearance' is given or provided by the regulatory agency. Therefore, if a pump is under-dispensing and it is not under-dispensing beyond the official clearance level, the dispensing pump is certified as ok. (IDI/MANAGER/45YRS/2018).

On the contrary, a regulatory agency official said:

The Department of Petroleum Resources has nothing as official clearance on volume to be dispensed by dispensers. They are expected

to dispense the exact volume, nothing more or less. (KII/REGULATORYAGENCY/42YRS/2018).

The following were the forms of organisational-based sharp practices identified by this study:

Meter manipulation:

On some dispensers, it was very easy to manipulate their meter that was because there were scrollers with a plus (+) and minus (-) indicating the directions in which manipulations could be done. Scrolling towards the plus sign (+) would command the dispenser to dispense more volume than earlier set or default settings while scrolling towards the minus sign (-) would command the dispenser to dispense lesser volume to earlier or default settings. That was one of the reasons the lower part (mechanical part) of the dispenser was always locked so that the filling station attendants and at times the managers would not gain access.

A dispensing pump engineer attested to this claim. He said:

In some dispensers, manipulation is shown with the signs of plus (+) and minus (-) on the meter. Scrolling towards the plus (+) sign will make the dispenser dispense more volume while scrolling to the minus will make it under-dispense. It is simple for anyone who gains access to manipulate. (KII/DPE/42YRS/2018).

Manipulation through dry calibration:

Dry calibration of dispensers involved the use of codes to manipulate the volume dispensed against amount in currency. Codes varied from one dispenser to another and from manufacturer to manufacturer. That is, each brand of dispenser had its specified calibration code(s) with which it has access to manipulation. This makes dispenser engineers gather codes for keeps and trade. It was evident that the manufacturer avails the actors the opportunity to manipulate dispensers and commit fraud according to Cressey's triangle theory. For all brands of dispensers, the access codes were eight (8) digits after which another four digits were displayed for manipulation. By increasing the number displayed the dispenser received the command to under-dispense. And while the figure was decreased, the volume dispensed increased.

Dispensing pump engineer corroborated this:

Different brands of dispensers use different codes for dry calibration. For brand A (name of dispenser was mentioned) when the operator presses the 'power failure and shift sum buttons', letter 'U' comes up on the screen. Inputting the correct digit code (20053632 or 21368745), a four digit code (8333 or 5000) comes up on the screen. For example, if the figure is increased from say 8333 to 8888 or from 5000 to 5555 as the case may be, the dispenser has been commanded to under-dispense, if the figure is reduced the dispenser will dispense more volume to earlier settings (KII/DPE/38YRS/2018).

Sealing of Solenoid valve:

The solenoid valve was a part of the mechanical section of the dispenser that controlled the volume of products to be dispensed when programmed. It could be manipulated by covering some portion of it with tape to distort the flow of product through it. This was common on dispensers that their calibration codes were either unknown or unavailable. On this, a respondent asserted:

In situations where the engineer finds it difficult to manipulate the meter, and calibration codes are unknown, another thing to do is the blockage of substantial part of the solenoid valve to disturb the flow of the volume of product sent through the hose to the nozzle. (KII/DPE/42YRS/2018)

Pump conversion:

As mentioned earlier, when meter cannot be easily manipulated, and codes for calibration for that brand was unavailable, the marketer with the advice of the dispensing-pump engineer could change the major components of the dispenser, as such converting it to a more flexible one which gives the opportunity for manipulation.

An official of the regulatory agency proclaimed:

Marketers don't mind spending a lot of money on their dispensers in as much as it can be manipulated to under-dispense, even if it means to change the components of the dispenser to one that is compliant to corrupt manipulations. Of course, the marketer will make more money in multiple folds within a short period. (KII/REGULATORY AGENCY/48YRS/AUG 2018)

Line Slanting:

The pipelines conveying products from the underground tanks to the dispensers were normally expected to be positioned in such a way that the line tilts towards the dispenser. That is, it should be higher at the underground tank end and lower toward the side of the dispenser. That was necessary to allow the line retains products to fill the line instead of having a vacuum in the line. If there is vacuum or space in the line, the dispensers would have to fill in the line before dispensing at the expense of the consumer. By that, the dispenser would have read without dispensing, that might be when consumers complained to have been sold ordinary air instead of products.

Dispensing pump engineer said:

Indiscriminate slanting of product lines towards the underground tank amount to a shortage for the customers because the line would not retain products, a substantial part of it will be empty. Therefore, the dispenser fills the line up before dispensing at the cost of the consumers. (KII/DPE/42YRS/2018)

Dispensing from dedicated pumps:

Another form of Ise mentioned was dedicating dispensers separately for commercial vehicles, private vehicles and those buying in kegs. It was observed that the 'ise' on the dispensers dedicated to commercial

vehicles were lighter to those buying in kegs while the worst was the dedicated dispensers for private vehicles. What the attendants claim in such filling stations was that the commercial vehicles were always in a hurry to drop their passengers and that those buying in kegs were always making the pump area rowdy and also denting vehicles. It was an act of cheating the private vehicle consumers more since the kegs (especially the calibrated ones) could reveal the exact volume dispensed and commercial drivers could know how many trips a particular volume of fuel would take them. A filling station attendant corroborated this and said:

It is typical of some filling stations to sell from dedicated pumps to categorized customers especially during the scarcity of products and evenings. The customers are always classified into three: commercial vehicle drivers, private vehicle drivers and those who buy in kegs. Among the three, the dispenser dedicated to commercial vehicle drivers is better regarding volume dispensed followed by dispensers for those who buy in kegs and the private vehicle owners. (IDI/ATTENDANT/30YRS/2018).

Individual-based sharp practices

From the group of responses, the following were the individual-based sharp practices identified while dispensing products to the final consumer:

Indiscriminate hanging of nozzle format, and 'Not robbing earlier sale'

In this form of practice, attendant hanged the nozzle in such a way that the dispenser would still be working. If the nozzle is well hanged, the dispenser will stop working, and when lifted from its stand, the dispenser automatically robs the earlier sale. But if the nozzle was hung in such a way that the dispenser is still working, then the earlier sale would not be robbed, and new sale would just be a continuation of the former sale. A filling station manager said:

It is possible for attendant not to rob record of earlier sales before dispensing to another consumer. This happens when the consumer get carried away with other activities going on within the vicinity of the filling station such as music, dancing, greetings, etc.(IDI/MANAGER/33YRS/2018).

Zero and decimal impact format

This was another form of corrupt practice mentioned by the majority of the filling station attendants as a way of cheating on the consumers. It involved the deliberately faking the number of zeros and decimals displayed on the screen after dispensing to the consumer. In that case, especially for motorists, the attendant could fake N 100.00 for N 1000.00 or N 200.00 for N 2000.00. In some cases, it was possible for the attendant to dispense in naira instead of in litres since the figures look alike. This showed that attendants could be so daring and pretend to

have sold the expected amount. In views of this, the concentration of the consumer matter and eyes focused on the displayed board from the beginning to the end of sales. Another manager said:

Some consumers do not know where to view the amount sold in litres from that of currency (Naira). By this, N 5,000 worth of fuel could be faked to be 50 litres worth of fuel. If the attendant succeeds, the consumer would have about N 2,250 shortage if PMS is sold at N 145 per litre. (IDI/MANAGER/33YRS/2018).

Two-unit dispenser format (leg-over):

Two types of dispensers were identified. A single unit dispenser had one complete unit of a dispenser which comprised of the compact unit (or complete mechanical unit) and a simple electronic/display unit. For two-unit dispensers, a single frame housed two complete dispensers comprising the mechanical and the electronic section. Attendants used two-unit dispensers to cheat on unsuspecting consumers. Since the dispenser possessed two-displayed units placed side by side, sales could be stopped in the middle or after a while if the actual amount expected to be sold tallied with the amount displayed on the electronic board of the other unit. A filling station attendant said:

What most consumers are concerned about is seeing the amount they wanted to buy on the screen, whether it appeared on the actual screen used for them or not. One of my colleague calls the trick 'leg-over'. Those who watch football would understand better. (IDI/ATTENDANT/28YRS/2018).

Recalling past sales:

Just like phone records in its call log the numbers dialled, call received and missed, the dispenser also recorded last ten sales. This record could be re-called when need be. Attendants used this 'format' to cheat consumers by recalling past sales that corresponded with the amount the consumer want to buy. To be smarter and fast about it, attendants recorded last ten sales on an exercise book and review after each sale. Consumers who assumed that since sales have been programmed, it cannot be stopped till completed fall victim to this. A filling station manager shed light on how such fraud could be checked with this:

The re-call of past sales by attendant could be checked if consumers buy irregular amount (such as N 1,050, N 3,750, N 5,620, etc.) sure will be very difficult for the attendants to have in their records of sales rather that the absolute figures (N1,000, N2,000, N5,000, etc.). (IDI/MANAGER/39YRS/2018).

Totaliser manipulation:

The totaliser functioned by summing up all sales made on the dispenser right from the day it was mounted. It was from this device that attendants take the meter reading before the commencement and the end of sales

within a specified period. Therefore, totaliser defined the sales made on the dispenser within that period. This was done by subtracting the meter reading before sales from the reading at the close of sales. Totaliser could be manipulated in both digital and analogue dispensers.

A dispensing pump engineer said:

Once the totaliser is broken or disconnected as the case may be, the summation of volumes actually sold can be manipulated. In digital dispensers, disconnection of the totaliser automatically stops summation of volume dispensed while in analogue dispensers, breaking the totaliser seal gives the opportunity to control it back and forth to desired figures. (KII/DPE/40YRS/2018)

Consumers' Experiences

Consumers had various experiences as reasons responsible for their continuous patronage of particular filling station or black market spots. Majority of the FGD respondents patronised the Mega stations and major marketing outlets especially consumers in Abeokuta and Sagamu, while few preferred any category of filling station majority of whom were Idiroko consumers. This was because the majority of the respondents dreaded patronage of filling stations along the Idiroko corridors due to bad pump gauge compared to other parts of Ogun state. This was corroborated by the observation of the researcher in the use of calibrated kegs for the measurement of metres in selected filling stations in the three locations. In Idiroko, use on dispensers was about three litres on every twenty litres for the majority of the filling stations while few took as much as four litres, whereas in Abeokuta and Sagamu it was between one to two litres on every 20 litres dispensed irrespective of the category.

A private consumer said:

Scarcity or no scarcity, fuel is always available along Idiroko corridors but with very bad metering and exorbitant prices. It is very unusual to find a filling station along this corridor that sells at the normal price and a reasonable meter gauge. Each time I find my way out of this area, I fill my tank and even buy in kegs to meet my needs for some time. (FGD/PRIVATECONSUMER/IDIROKO/37YRS/MALE/JUNE, 2016)

It was noted that the consumers were only aware of some of the sharp practices not all. In view of this, the practices mentioned were the ones the consumers were familiar with and even when other methods were experienced, it would have been narrowed down to either not robbing of meter or manipulated meter. A commercial driver corroborated this:

I had a terrible experience one particular day when I suspected to have paid for ordinary air instead of fuel. My vehicle stopped working on the express the passengers beat me up and tore my clothes because it was a Monday morning and they were getting late for work. I trekked long distance to buy fuel in a keg. I suspected that it was either the meter was

not good or the attendant did not rob or even dispensed anything into my tank. (FGD/COMMERCIAL DRIVER/IDIROKO/38YRS/2018)

During scarcity of petroleum products, levy collection, rotational operation and product adulteration were rampant additional sharp practices to the normal bad metering and not robbing the meter. Consumers mentioned that filling station attendants demanded specified levy before dispensing products even when their meter had been badly adjusted.

A private consumer stated clearly in this light:

During scarcity, it is like adding insult to injury. Aside bad meter, we are meant to pay extra amount of money according to the volume one wants to buy. Fairness is fair from fuel dispensing at the filling stations. Unfortunately, we cannot do without buying fuel no matter the price. (FGD/PRIVATE CONSUMER/SAGAMU/45YRS/MALE/2018)

In order to make scarcity more frustrating and intense, filling stations practiced rotational operation where by only few filling stations operate at a particular time of the day. Once that in operations closes, another set would open.

A commercial driver shed more light on this:

In Sagamu, there are about twenty-six filling stations operating fully. During this scarcity we got information from our chairman that all the filling stations got a truck of petrol each to dispense to consumers but only two filling stations sold fuel at a time. We even sleep at filling stations, yet we still might not get fuel.

(FGD/COMMERCIALDRIVER/ABEOKUTA/28YRS/2018)

Adulteration of petroleum products was also mentioned as being pronounced during scarcity. Products were suspected by consumers to be mixed with other substances and even water. A respondent shared his experienced:

When there is scarcity of petrol, I have no choice than to patronise the black market spot. During this period petrol might have been mixed with other cheaper spirits or kerosene. This damages the car or generator engine as the case may be.

(FGD/PRIVATECONSUMER/ABEOKUTA/39YRS/FEMALE/2018)

In 'nomenclature and logo imitation' form of corrupt practice, independent marketing retail outlets created logo and nomenclature and also painted and wore similar uniforms to that of the mega stations to attract the attention and patronage of consumers. Characteristically, those filling stations were located along the express roads, therefore, having irregular travellers as their victims. An FGD participant shared his experience:

The most painful experience I had was not even in Ogun State but when I was travelling to Akure via Ore-Ondo road. Usually, when I am out of State, I prefer to get my fuel from NNPC Mega Station around if

available. I saw a filling station that has a resemblance to the Mega Station regarding size, colour, uniforms of the attendants, colour of the dispenser and the logo of the marketing company. Everything about the filling station was a resemblance of the Mega Station. Unconsciously, I drove in, and after fuel was dispensed, I discovered that my gauge read less to normal. This was noticed immediately because my car uses a digital gauge. As I was about driving out of the filling station unsatisfied, a Mega Station tanker passed, I immediately noticed that the logo on it was an image of a full dispenser while that of this particular filling station contained just the nozzle. I felt humiliated. (FGD/PRIVATECONSUMER/SAGAMU/MALE/43YRS/2018)

Another participant shared his experience too:

There is a filling station along Ibadan-Ife expressway (name of filling station and location was mentioned) that uses a similar logo to that of NNPC Mega station and similar nomenclature. Unsuspecting consumers would have patronised such filling station. I fell victim earlier this year. I realised I was not in NNPC filling station on my way out after patronage. I felt cheated.

(FGD/PRIVATECONSUMER/IDIROKO/41YRS/MALE/2018)

Discussion of Findings

Sharp practices during the dispensing of products to the final consumer were either organizational or individual based depending on the initiator and beneficiary of the practice. Organizational-based sharp practices were manipulations on the dispenser by the filling station management. Such manipulations were fixed and could not be noticed ordinarily until dispensing was completed. Marketers engaged in the practices in order to make up for extra expenses expended while loading and losses incurred during transporting and receiving of petroleum products at the filling station.

In essence, sharp practices while dispensing resulted from backdrop of other practices in other levels which must be catered for before dispensing. No matter the loss incurred by the marketer, all expenses would be regained at the level of dispensing to consumer through the sharp practices as illustrated in the 'calculation of points'. On the other hand, individual sharp practices had the attendants and sometimes the manager being the initiator and beneficiary. The final consumer was however faced with double jeopardy of having to experience the fixed and unascertained organizational practices and the individual ones which depended on personal skills and distractions on the part of the attendants. The study found that consumer's experience was similar in Sagamu and Abeokuta irrespective of the marketing company either major or independent. Therefore, all marketing companies were involved in sharp practices at the dispensing stage in order to make up for excessive expenditure made at the preceding levels. However, in

Idiroko, manipulation on dispensers was about 3 litres to 5 litres on every 20 litres dispensed, varied from one to two litres in Sagamu and Abeokuta. The reason for this was the closeness of Idiroko to border where smuggling, price hike, and black market operation were prominent (Lawal, 2016). Therefore, the level of manipulation was not based on the marketing category but on the geographical location of the filling station. Sharp practices during dispensing were made possible because traditional norms have been suspended and some destroyed (Merton, 1964; Onyeonoru, 2002), therefore, motivation to engage in sharp practices due to extra expenses expended by the marketers was present. Also, since all expenses must be recovered, the rationalisation to engage in informal acts was inevitable corroborating the works of Obioma (2012), Fikes (2009), Cressey (1973). The backdrop of all practices was borne by the consumers. Therefore, there was a gap between the expected marketers' service delivery and consumer's perceived quality of service rendered.

Lastly, poor monitoring, poor salary package and social construction of 'elepo' were factors influencing sharp practices within the distribution networks. It was found that some officials of the regulatory agency already compromised thereby punishing only marketers that refused to comply with the informal regulations encouraging a state of normlessness within the network. Secondly, poor salary package for actors encouraged sharp practices. When the purpose for a wage is defeated, and provision of food, shelter and clothing unachievable, the employee's main aim of actually working in a formal setting is actually defeated (Gunawan and Amalia, 2015; Umar, 2012). The belief that workers in the oil sector earned and lived comfortably was another factor influencing sharp practices. Therefore, actors would do anything possible to meet up with the societal expectations thereby committing fraud at the slightest opportunity as a result of pressure.

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ANALYSIS OF ORGANIZATIONAL CULTURE TOWARDS WORKING PERFORMANCE THROUGH QUALITY OF WORK LIFE AND RELIGIOSITY

Maryono¹

Abstract

This research aims to test the influence of organizational culture towards employees' performance mediated by their quality of work life and attitude of religiosity. There are 50 respondents in this research and the data acquired are analysed through PLS-SEM (Partial Least Square-Structural Equation Modelling) method by using SmartPLS and Sobel Test Programs. The findings in this research show that organizational culture does not have any significant influence towards employee performance, however organizational culture has direct and significant influences towards the attitude of religiosity and the quality of work life. Attitude of religiosity and quality of work life directly and significantly influence employees' performance. Therefore, organizational culture indirectly and significantly influences employee performance through the attitude of religiosity and the quality of work life. There is a direct and significant relation between every component of the quality of work life.

Keywords: Organizational Culture, Employee Performance, Quality of Work Life, Attitude of Religiosity

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¹ Faculty of Social and Political Science, University of Lambung Mangkurat, yon_fisip@yahoo.co.id

Introduction

Human resources, in this case the employees, are valuable assets for a company as one of the valuable internal factors that has roles in producing quality goods or services. Therefore company has to understand well about their employees' motivation and needs as well as being responsible for maintaining their work environment. One of the concepts that can be done by company in terms of improving the quality of their work environment for their employees is to grow a positive organizational culture, the employees' attitude of religiosity and quality of work life (QWL).

Organizational culture is an important part of human resource organization as said by Barney (1968) and Javidan (1998) in Astadi & Renny, (2015; 248). More explicitly Nevizond (2007; 11) has mentioned that culture is the identity or character, bond, source of inspiration, booster, behaviour pattern, enhancer of added value, substitute of formalization, and mechanism of adaptation toward changes in an organization. Organizational culture is instrumental in maximizing working organization to support the employees in order to work better in an organization. In the context of organization, Schein (2004; 39) has said that organizational culture consists of several elements; mission, strategy and objective (structure, system, process), Measurement; (mistake detection and correctional system, Matters of internal integration (Common language and system, Group limitation and identity, characteristics of authority and relation, allocation for appreciation, status and assumption). Robbins (1989) has explained that the dimension of organizational culture are; the aspects of task done in structure, system, process and control of mission, strategy, and objective regarding to the value of every cultural element within the organization. Organizational culture is value, belief, principle of the system and management practices as well as the behaviour of organizational principles (Deninson, 1990; 2)

One of the other ways of improving employee performance is by improving their quality of work life, therefore the employee will be more comfortable in working. Quality of life is related to the interest of group of people within an organization. It becomes an important and needed in every category of employee. With the increasingly controlled employee in their quality of work, it will further balance their work and family. Luthans (1995) has expressed that the quality of work life can change the organizational climate so that it will technically and humanely lead to better quality of work life. Cascio (2006) explains that the quality of work life is the employees' perceptions of their mental and physical welfare in work place. The advantage of work quality for employees, guaranteed welfare, good work condition and climate, and brings impact on the employees' own personal psychology. Lewis, et al. (2001) have said that

quality of work life is something that has to be taken into organizational attention. The impact of implementing quality work life effectively are; high sense of belonging, sense of responsibility, sense of participation in every organizational activity (Tjahyanti, 2013).

Studies related to the quality of work life towards employee performance (Cahyadi, 2007; Triatna, 2015; 152) have found that quality of work life has positive correlation with work performance. Naganandini S. (2014) has mentioned that high quality of work can attract and maintain employees positively, can manage the employees more flexibly, loyal and motivated, therefore it will reduce retention in the company. Yusuf Nekouei, et al (2014), W.S and Wartini (2016), Rokhman (2012) have mentioned that quality of work life has positive influence towards work satisfaction and employees' performance. It is because by the employees having high quality of work life, it can support and create more competent employees' performance as well as giving them satisfaction for their jobs which will eventually show positive things in their work life.

Activities related to religiosity is not only when they are doing their routine prayers but also in other activities that support inner strength (Jalaludin, 2001) Furthermore, the sense of religiosity can also form someone's personal characteristics such as; honesty, discipline and optimism. Morgan and Lawton (1996) in A. Ahad M. Osman G, Junaidah H and Yusof Ismail (2010) have stated that things related to someone's religiosity can be practiced in daily activities. Then R. Stark and C.Y. Glock in Ancok (1996) have explained that religiosity has five dimensions; a). Religious Belief, b) Religious Practice, c) Religious Feeling), d) Religious Knowledge, and e) Religious Effect.

Other than organizational culture, another variable that may influence employees' performance is the attitude of religiosity. King (2015) has stated that religiosity is the strength of someone's relationship or belief on his religion. Morgan and Lawton (1996) (in A. Ahad M, et al. 2010) state that someone's attitude of religiosity is not only related to a certain religion but can also be practiced in daily life. Activities related to religiosity is not only when someone is doing their prayer but also in other activities supported by their inner strength. Therefore the possibility of employees' work behaviour will also be influenced by their religious preference as far as they identify themselves as religious and are active follower of their religion (Ntaliens & Darr, 2005). Patchsawang and Duchon (2012) have said that religiosity can transform from the work place, when the company opens itself and increases the value of their employees' spirituality. Ahmad and Omar (2015) agree that working spirituality involves positive values such as; concerns, respect, acknowledgement and connecting talents and energy of an employee to become personally more effective while working. The religiosity of the

employees will emerge their spiritual intelligence that will support the employees to be happy in doing their job, therefore will improve their quality and productivity. R. Stark and C.Y. Glock in Ancok (1996) have explained that religiosity has five dimensions; a). Religious Belief, b) Religious Practice, c) Religious Feeling, d) Religious Knowledge, dan e) Religious Effect.

Several studies that test the relation of religiosity beliefs with other variables such as ; Job performance (Pfeffer, J. 2003) and organizational Frustration (Kolodinsky, Giacalone, Jurkiewi CZ., 2008), job commitment (Roundy, 2009) have mentioned that religious belief influences work satisfaction (Kutcher, Bragger. Rodriguez-Srednicki, & Masco, (2010). Trihandini and Meirnayati (2005)

Trihandini and Meirnayati (2015) have revealed that the employees' religiosity and their ability to adapt contribute to the improvement of working performance. Denton (1999) and Klenka (2003) have suggested that one of the important aspects in making changes in an organization is the religiosity value owned by the employees in working. According to Elci (2007), religiosity has positive and significant relation towards the orientation of employees' performance. Therefore the value of religiosity has active and direct roles in employees' performance.

Every activities, tasks and jobs of a company, especially one that runs in the field of service such as PT. PLN (Persero) Kuala Kapuas Area of the South and Central Kalimantan Region, in which their activities are to serve the society by fulfilling their needs of electricity in that region, must be done according to the Standard Operational Procedure (SOP) and should be oriented to public service.

The phenomenon exists in the field is that employees of PT. PLN Kuala Kapuas Area of South and Central Kalimantan region, have yet to feel satisfied with their work life, the employees work life are not open to one another, conflict settlements are not running well because the management does not provide solution to settle the problems, lack of communication between the management and the employees as well as several complaints regarding to the lack of working training given to the employees, even if there are trainings, the training materials do not suit the working competence. The chances of being promoted are still mostly based on how close the employees are to the management and the connection they have to the management, and are not based on the employees' competence and achievement, mutation is considered to be a burden due to the lack of readiness to be mutated to other region, this matter may end up became their career path inhibitor and resulted in demotivation for the employees which will eventually has impact on the decline of their working performance.

Based on the phenomenon above, this research focuses on the Organizational Culture, Religiosity Value and Quality of Work Life as well

as their influence toward the employees' performance of PT. PLN Kuala Kapuas Area of South and Central Region. In which the problems formulated in this research are; 1) Does Organizational Culture has any significant influence towards the Quality of Work Life, 2) Does the Value of Religiosity has any significant influence towards the Quality of work life, 3) does Organizational culture has any significant influence towards the Employees' performance, and 5) does the Quality of work life has any significant influence towards the Employees' performance. This research will be very beneficial for companies since it can be used as guidance in designing company strategies, especially strategies that are related to the policies of improving commitment, loyalties and reducing conflicts that may occur between employees within the company which will eventually can improve the employees' performance.

Literature review and Hypotheses Development

Organizational Culture

In relation to the research within the problems mentioned above, the researchers are reviewing theories and previous researches that are related to this research. Stewart (2007) has written that organizational culture norms highly influence every party within an organization. According to G. Graham (in Siswadi, 2012) organizational culture is the norm, belief, attitude and philosophy of an organization. Robbin (in Sembiring, 2012) has said that organizational culture refers to shared definition system believed by the organization members and distinguish it from other organizations. Veitzhal R. (2003) has revealed the roles of organizational culture as follow; determining the boundary, distinguishing between one organization to another, providing identity for the organization members, emerging commitment on the individual's needs, improving the steadiness of social system, and forming the attitude of the organization members.

Generally, the element of organizational culture consists of two elements; idealistic and behavioural element. According to Pratiwi (2012), the elements of organizational culture consist of; values, belief, basic principles, management and behavioural practices. Berry, et all (1991) in Boke and Nalla, (2009) put forward the indicator of organizational culture as follow; regulation of distance from the employer, trust, professionalism and integration. Annuai and schhien (2005) have divided organizational culture into several indicators as follow; the aspect of qualitative, quantitative, the formation of external adaptation and internal integration components. Stewart (2007) has declared that organizational culture norms are highly influential for every party involved within the organization.

The Quality of Work Life

Quality of work life according to Dubrin (1994; 376) is the fulfilment of human needs in a work environment. Hadari N (2008; 23), has suggested that quality of work life is where the company creates secure feeling and satisfaction for the employees while working to achieve the company's goals or objectives. Bennet (1995) says that the quality of work life is the performance showed by the organization members about how they feel about their; jobs, benefits, work conditions, impressions of their superiors, the opportunity to progress, development, certainty, and rewards for their services. Walton in Zin (2004; 325-326) has mentioned that the measurement indicators of the quality of work life are; Growth and development, participation, physical environment, supervision, wage, social relation, work place integration. Quality of work life is often considered in two directions, one is the removal of negative aspects of work and work conditions and other direction is the modification of work and work conditions to enhance the capability of employees and to promote behaviour which is important for individual and society (Kotze, 2005).

Religiosity

Ferm (1963; 647) has defined religion as a set of behaviours or meanings that are related to the action of people in carrying out their religion. Nashori and Mucharan (2002) have said that religiosity is how far from knowledge, firm belief, and the implementation of worshipping and its methods. Dister (in Hidayah M., 2008) has defined religiosity as diversity, which means there is internalization element of the religion itself within the individual. According to Sahlan (2011, p. 39), religiosity is an attitude or awareness that emerges based on someone's belief towards the implementation of a certain religion, by covering the act of honesty, justice, benefit, expediency of other people, working efficiently, being humble, discipline and balanced. Lindridge (2005) states that religiosity can be measured through the existence of religious institution and how important is the religion in daily life. Religiosity has good effect on human attitude and behaviour (Simmons, 2005; Weaver & Agle, 2002). Based on the results of previous research conducted by Heru Sulistco (2011), he found that religiosity is very important in improving the outcomes of an organization.

Employees' Performance

Bacal (2011;162) has defined performance as a result acquired by an employee in carrying out his or her job based on prowess, experience and sincerity in a determined time. Smith (in Suwatno & Priansa, 2011; 196) has written that performance is the result of human work process. Sinambela (2012) has mentioned that performance in the ability of an

employee in carrying out a certain skill. As well as As'ad (1995) who has stated that employees' performance is a form of the employee's success in carrying out a job. Gibson (1994; 201) says that performance is a level of success in carrying out a task and skill in order to achieve previously determined objectives. According to Tsui, Anne S., Jone L., Pearce and Lyman W. Porter, the indicators of performance are as follow; more than average work quantity, higher quality of work, and quality standard that is above official standard.

Intervariable Relationship

The influence of organizational culture towards employees' performance. Organizational culture is the identity or character of an organization that is taken care of and maintained (Mas'ud, 2004). A strong culture leads the employees to do a better job, therefore every employee has to understand and implement the culture. Robbins (2002) has said that by having a strong organizational culture will improve employees' work satisfaction and performance which will eventually influence the organization performance. The results of researches conducted by Abdul Rashid, et al (2003), Ponnu and Hassan, (2015), Uddin, et al. (2013) have showed that organizational culture is a variable that can positively and significantly influence employees' performance. Based on theories and the consistent findings in the previous researches, a hypothesis is made that:

H1: Organizational culture has a significance influence towards employees' performance.

The influence of Organizational Culture towards the attitude of religiosity. An advanced organization surely will always involve its members to improve their performance quality. The improvement of someone's performance quality in an organization can be influenced by several factors such as religion, culture, socio politics, education, environment condition and motivation. Mitroof and Denton (1999); Klenke (2003) have suggested that one of the important aspects in making changes in an organization is through the employees' religious values while working. Vera Anitra (2015) has mentioned that religiosity can significantly influences work culture, high religiosity can create work discipline, mutual respect between co-workers, mutual cooperation while working are forms of employees' work culture carried out daily in working. Based on the theories and the consistent findings in the previous researches, a hypothesis is made that:

H2: Organizational culture has a significance influence towards the Attitude of religiosity

The influence of the Attitude of Religiosity towards the Quality of Work Life

Religiosity as a complex integration of religion knowledge, feelings and religious action exist within someone. Religiosity is the strength of a relationship or belief of an individual to his or her religion (King, 2015). Saputro (2006) through his research has found that religiosity has an influence towards voluntary behaviour (Altruism), that religious individual will always try to do good things voluntarily. Spector (in Robbins and Judge, 2008) has mentioned that the quality of work life can be the main determinant of an employee's good behaviour. Benson (in Allen & Myers, 1996) has found that individual who has religious commitment will spend his or her time working voluntarily. The willingness to work voluntarily is a good behaviour that can build good work quality in an organization. A research conducted by Rita (2015) has concluded that religiosity value and quality of work life are related to one another Based on the theories and consistent results findings in the previous research, a hypothesis is made that:

H3; The Attitude of Religiosity has a significance influence towards the Quality of Work Life

The influence of Organizational Culture towards the Quality of Work Life
The quality of work life (QWL) is a form of thought implemented by the management to manage human resources within an organization. According to Elmuti and Kathawala (1997), the quality of work life can emerge the willingness of the employees to stay in an organization. Valizadeh and Ghahremani (2012) in their research have found that the higher organizational culture within an organization, the higher quality of work life will also be. Based on the theories and consistent findings in previous researches, a hypothesis is made that:

H4; Organizational Culture has a significance influence towards the Quality of Work Life

The Influence of the Attitude of Religiosity towards Employees' Performance

Religiosity is a comprehensive sociologic that consists of religious activity, dedication and belief (Edewor, 2008). Lindridge (2005) states that religiosity can be measured by the existence of religious institution and the importance of religion in daily life. According to Patchsawang and Duchon (2012), religiosity can transform starting from work place, where the company opens itself to improve its employees' spirituality. McClelland (1961), Simmons (2005); Weaver and Agle (2002) have identified that religiosity has positive influence towards employees' work attitude. Petchsawang, P and Duchon, D (2012) has conducted religious study in which the results show that religiosity in work place is related to

the employees' performance. Krishnakuma and Leher (2002) in (Jurkiewicz & Giacalone, 2004) have mentioned that company with higher spiritual values is more effective compared to company that lacks spiritual values. Based on the theories and consistent findings in the previous researches, a hypothesis is made that:

H5; The Attitude of Religiosity has a significant influence towards employees' performance.

The influence of Quality of Work Life towards Employees' Performance. The improvement of work life quality in an organization is one the things that can be done by the company to improve their employees' performance. Quality of work life (QWL) is a measurement of how the organization members feel about their jobs, benefits, work conditions, their impression of their superiors, opportunity to progress, development, certainty and rewards for their services (Bennet, 1995). Through the results of his research, Arifin (2012) has found that the quality of work life has influence towards the employees' performance. Research results of Romadhoan (2015) also show that there is a direct negative influence of the quality of work life towards the employees' performance. Anggy Susana M (2014) has found that the quality of work life has positive influence towards the employees' performance. Based on the theories and the consistent findings in previous researches, a hypothesis is made that:

H6: The Quality of Work Life has influence towards the Employees' Performance.

Research Method

This is a quantitative research in which the data are acquired from questioners that are given to the employees of PT. PLN (Persero) Kuala Kapuas Area of South and Central Kalimantan Region. Based on the literature review and the hypotheses developed above, the conceptual model or theoretical framework of this research can be illustrated as follow:

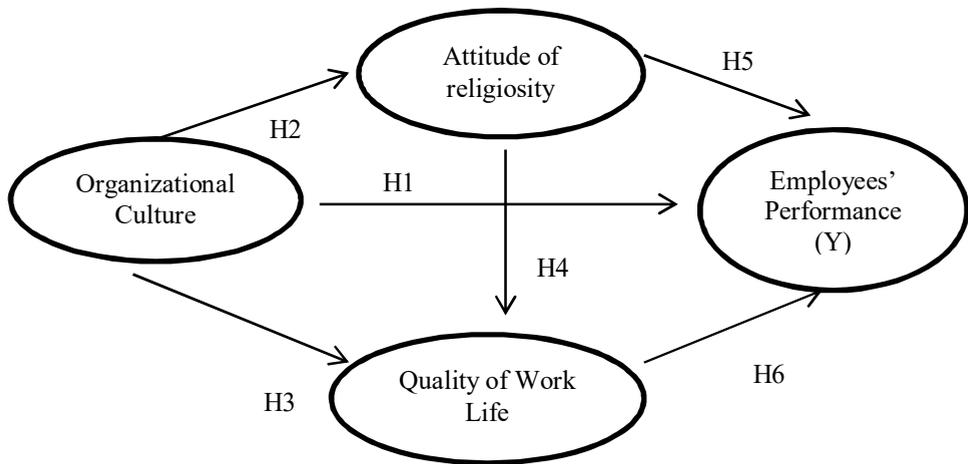


Figure 2.1: Research Model
 Source: Secondary data, Made in 2018

Research Method

3.1 Interpretation and research type

Research interpretation that is used in this research is quantitative based on positivism philosophy, which looks at the clarified reality and phenomenon, fixed relative, concrete, observed, measured, and the relation of cause and effect. With the type of research used is in explanatory.

3.2. Population and Sample

The populations in this research are all permanent employees of PT. PLN (Persero) Kuala Kapuas Area of South and Central Kalimantan Region which consists of 50 employees. The technique used to collect the sample is saturated sample, where all the members of the population are made as sample.

3.3. Definition of Operational Variables

Organizational Culture (X1) is an employee's perspective regarding to the shared system meaning owned by the members that distinguish the organization from other organization. The variable is measured through several indicators as follow: innovation and courage to take risk, Attention to working details, Result Orientation, Individual Orientation, Relationship aggressiveness and stability, as well as Responsiveness.

Attitude of Religiosity (X2) is a certain attitude or awareness emerged based on someone's belief for a certain religion. This variable can be measured through several indicators as follow: Honesty, Justice,

Expediency of other people, working efficiently, being humble, discipline, and balanced.

Quality of Work Life (X3), employee's perception of their mental and physical welfare given by the company in order to achieve employee's performance. This variable can be measured through several indicators as follow: working condition, compensation, working health and safety, interaction in work place, development of work competence, employee's rights in working, company's social responsibility, and kinds of work towards whole life.

Employee's Performance (Y), employee's perception of working outcomes that are related to the quantity and quality of work, benefit and timeliness and cooperation.

3.4. Data Collection Technique

The data collection technique used in this research is questionnaires; the questionnaire used is closed questionnaires, with answers already provided by the researchers, therefore the respondent only needs to choose the closest answer for the question given.

3.5. Validity and Reliability Tests.

The validity and reliability of this research are tested by using Structural Equation Model (SEM) with the help of Partial Least Square (PLS) software and the result can be seen based on convergent validity, discriminant validity test and Average Variance Extracted (AVE) in order to see whether the variable is valid or not.

Reliability test can be done by using SmartPLS program, which will facilitate the measurement of reliability test by using Alpha Cronbach (α) Statistic Test of a construct or variable and will be determined reliable if the test result shows that the Alpha Cronbach $> 0,60$ (Ghozali, 2016). Alpha Cronbach Arikunto, (2003; 236)

3.6 Data Analysis Technique

The data analysis of hypotheses test will be conducted by using Partial Least Square (PLS) Software. The Partial Least Square (PLS) used to analyse data in this research is SmartPLS software version 2.0.M3.

Analysis and Discussion

Based on the results of hypothesis test, the final model of this research if its build based on the influence of the significant variable can be illustrated as follow:

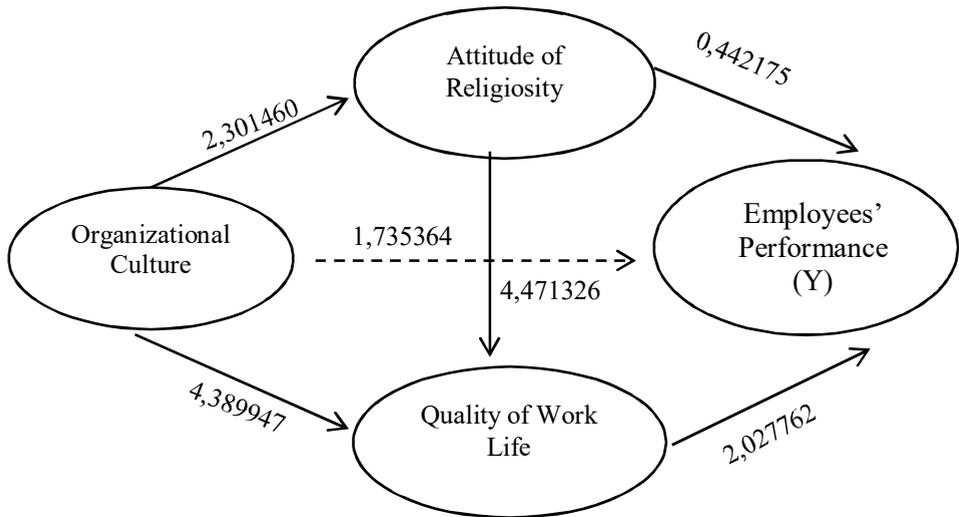


Figure 2.1: Research Result Model
 Source: Secondary Data made in 2019

Based on the analysis results of the first hypothesis test, which tests the influence of Organizational Culture (X.1) towards Employees' Performance, it is found that the value of $t\text{-count} < t\text{-table}$, which is $1.735364 < 1.96$. Therefore it can be concluded that Organizational Culture (X.1) is proven to not have any significant influence towards Employees' Performance (Y) in the significance level of 5%, with the influence value of (0.234252) or (23.43%). The results of this research is contradictive to the research conducted by Rashid, et al (2003, Ojo (2009), Estebam M, (2011), Ponnu & Hassan, (2015, Uddin, et al (2013), Taurisa and Ratnawati (2012) who have found that organizational culture has a significant influence towards performance. Second hypothesis test, which tests the influence of Organizational Culture (X.1) towards the Attitude or Religiosity (X.2), based on the analysis it is found that the value of $t\text{-count} > t\text{-table}$, or $2.301460 > 1.96$. Therefore in can be concluded that Organizational Culture (X.1) is proven to have a significant influence towards the Attitude of Religiosity (X.2) in the

significance level of 5% with the level of influence value of (0.283260) or 28.33%. The level of influences of the two hypotheses is considered in low category because of their values being in between of 0.200 to 0.3999 (Sugiyono, 2013; 215). The results of this research support the previous research conducted by Vera A. (2015) that Religiosity significantly influences work culture, with high religiosity being capable of instilling work discipline, mutual respect between co-workers, mutual cooperation while working that are the form of employees' working culture being implemented daily in working.

Third hypothesis test, which tests the influence of Organizational Culture (X.1) towards the Quality of Work Life (X.3), based on the analysis it is found that $t\text{-count} > t\text{-table}$, or $4.389947 > 1.96$. Therefore it can be concluded that Organizational Culture (X.1) is proven to have significant influence towards the Quality of Work Life (X.3) in the significance level of 5%, with the level of influence value of (0.459204) or (45.92%). The results of this research support the previous research conducted by Valizadeh and Ghahremani (2012) who have found that higher the organizational culture equals to higher the quality of work life. Fourth Hypothesis test, which tests the influence of the Attitude of Religiosity (X.2) towards the Quality of Work Life (X.3), based on the analysis it is found that the value of $t\text{-count} > t\text{-table}$, or $4,471326 > 1,96$. Therefore it can be concluded that the Attitude of Religiosity (X.2) is proven to have significant influence towards the Quality of Work Life (X.3) in the significance level of 5% with the level of influence value (0.529499) or 52.95%. The influence level of these two hypotheses is considered pretty high because of their values being in between of 0.400 and 0.599 (Sugiyono, 2013; 215). The results of this research support the previous research conducted by Saputro (2006) who has found that religiosity has influence towards voluntary behaviour (Altruism). Religious individual will try to do good thing voluntarily, Spector (in Robbins & Judge, 2018) has argued that the quality of work life becomes the main determinant of an employee's good behaviour. The results of this research also support the research previously conducted by Benson (in Allen & Myers, 1996) that individual who has religious commitment will spend their time working voluntarily. The willingness to work voluntarily is a good behaviour that can build good quality of work environment in an organization. The results of this research also in accordance with the results of research conducted by Rita (2015) who has found that the value of religiosity and the quality of work life are related to one another. Fifth hypothesis test, which tests the influence of the Attitude of Religiosity (X.2) towards Employees' Performance (Y), based on the analysis it is found that the value of $t\text{-count} < t\text{-table}$. Therefore it can be concluded that the Attitude of Religiosity (X.2) is proven to have no significant influence towards Employees' Performance (Y) in the

significance level of 5% with the influence value of (0.091006) or 9.1%.. Sixth hypothesis test, which tests the influence of the Quality of Work Life (X.3) towards Employees' Performance (Y), based on the analysis it is found that the value of $t\text{-count} > t\text{-table}$, or $2.27762 > 1.96$. Therefore it can be considered that the Quality of Work Life (X.3) has a significant influence towards Employees' Performance (Y) in the significance level of 5% with the level of influence values of (0.386077) or 38.6%. The levels of influence of these two hypotheses are in very low and low category because of their values being in between of 0.000 to 0.199 and 0.200 to 0.399. the results of this research support the previous research conducted by Petchsawang, P. and Duchon, D. (2012), Krishnakumar and Leher, (2002) in Jurkiewicz and Giacalone (2004), in which in their researches they have found that spirituality in work place is related to the employees' performance and company that implements higher values of spirituality is more effective compared to company that implements less values of spirituality. The results of this research also support the research conducted by Asgari, et al. (2012), Azril, et al. (2010), Ramadhani (2010), Anditasari (2011) and Novianto, et al. (2012) in which in their research they have proven that there is a significant influence of the Quality of Work Life towards Employees' Performance. But the results of this research are against the results of a research conducted by Dwi Rohayati (2014) who has found that religiosity is positively correlated but not significant towards employees' performance. Based on the results of analysis it can be concluded that Organizational Culture (X.1) has a direct and significant influence towards the Quality of Work Life (X.1) with Path Coefficient of (0.459204) or (45.92% and the value of its t statistic at $4.389945 > 1.96$ (significant). The results are in line with the research previously conducted by Valizadeh and Ghahremani (2012) where higher organizational culture within an organization equals to higher quality of work life. Based on the research analysis it has been found that Quality of Work Life (X.3) has a direct and significant influence towards Employees' Performance with Path Coefficient of 0.386077 or 38.6% and the value of its t statistic at $2.027769 > 1.96$ (Significant). Therefore there is an indirect influence of Organizational Culture (X.1) towards Employees' Performance (Y) through Quality of Work Life (X.3) that has been significantly proven with Sobel test statistic $> t\text{-table}$, or $2.822285 > 1.96$ and its Two-tailed probability value at $0.0048 < 0.05$. Its level of influence is at 0.58156 or 58.16%. The results of this research support the research previously conducted by Nourmalisa (2017), where organizational culture influences employees' performance mediated by the quality of work life. The quality of Work Life (X.3) has a direct and significant influence towards the Attitude of Religiosity (X.2) with Path Coefficient of 0.529499 or 52.95% and its t statistic values at $4.471033 > 1.96$ (significant). Since

both of the direct influences are significant, therefore there is an indirect influence of Organizational Culture (X.1) towards the Attitude or Religiosity (X.2) through the Quality of Work Life (X.3) that is proven to be significant by the value of Sobel test statistic $> t$ -table or $3.337846 > 1.96$ and its value of Two-tailed probability at $0.00084 < 0.05$. This result is in accordance with the suggestion has argued by Benson (in Allen & Myers, 1996) that individual who has religious commitment will spend their time working voluntarily. The willingness to work voluntarily is a good behaviour that can build good quality of work life in organization. The result of this research support the research previously conducted by Rita (2015) that the value of religiosity and the quality of life are related to one another. Next, the attitude of religiosity does not have any direct and significant influence towards the Employees' Performance with path coefficient of 0.091006 or 9.1% and its t statistic value at $0.442567 < 1.96$ (Not Significant). Since there is only one significant influence, therefore there is an indirect influence of the Quality of Work Life (X.3) towards Employees' Performance through the Attitude of Religiosity, it means that it is not proven to have any significant influence with its Sobel test statistic $< t$ table or $0.891756 < 1.96$ and its Two-tailed probability at $0.372523 > 0.05$. The level of its influence is 0.644213 or 64.42%. The result of this research does not support the research previously conducted by McClelland (1961), Simmons (2005); Weaver and Agle (2002) whose research have indicated that religiosity has positive influence towards the employees' work attitude. Also the study previously conducted by Petchsawang, P and Duchon, D (2012) that spirituality in work place is related to employees' performance. Based on the three analysis results it can be considered that the influence is in strong category for its value being in between of 0.600 and 0.799 (Sugiyono, 2013; 215).

Conclusion

Based on the research, it can be concluded that organizational culture does not have significant influence towards performance. However, organizational culture may have influence towards performance if it's mediated by the quality of work life. Organizational culture has a significant influence towards the quality of work life, the quality of work life has a significant influence towards the attitude of religiosity, and therefore there is an indirect influence of organizational culture towards the attitude of religiosity mediated by the quality of work life. Next, the quality of work life has significant influence towards performance. The attitude of religiosity is proven to not have significant influence towards performance.

Limitation and Future Direction

This research is only represented by one branch office of the related company. Therefore generalization of the result of this research should be done in careful manner. The level of influence of organizational culture, the quality of work life and the attitude of religiosity is only 36.4%, while the other 63.6% are influenced by other variables. The next research is suggested to take larger object and more samples in order for its results to be generalized better, furthermore the adoption of new values in Organizational Culture, the attitude of religiosity and the existence of high dynamic of the quality of work life variable as well as other influencing variables it may changes as the environment changes also. Therefore the next research should add other variable variation that may influence the employees' performance.

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