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Notes from of Editor-in-Chief

Mirjana Radović-Marković

It has been an enjoyable experience and I have been lucky to have worked with such good colleagues and members of the editorial board since 2012. Looking back, as the editor in chief of International Review, I realized just how many changes there have been over the last five years. In the meantime, the Journal has progressed, and it is now referred by Emerging Sources Citation Index (ESCI). The Emerging Sources Citation Index (ESCI) was launched in late 2015 as a new database within Clarivate Analytics' (formerly Thomson Reuters'). Indexing in the ESCI will improve the visibility of a journal, provides a mark of quality and is good for authors.

I must point out that Journals indexed in the ESCI will not receive Impact Factors; however, the citations from the ESCI will now be included in the citation counts for the Journal Citation Reports, therefore contributing to the Impact Factors of other journals. So quote the papers from our Journal.

Finally, thank you for all your help and trust in me over the years. I am waiting for your articles in New 2018!

November, 2017.

Editor-in-Chief
Acad.Prof.Mirjana Radovic-Markovic, PhD

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ORIGINAL RESEARCH PAPERS

A Descriptive Study of Organizational Citizenship Behavior in Peruvian Companies

Rosario Almenara Díaz[1], Beatrice Avolio Alecchi[2]

ABSTRACT

This research identifies the factors that have an impact on Organizational Citizenship Behavior (OCB) in Peruvian Companies and studies how the employees exhibit or adopt an OCB in the different stages of the business life cycle; identify the context in which the employees adopt an OCB; identify the most relevant forms of OCB for organizational effectiveness; and recognize the main obstacles that hinder the achievement of an OCB. This study uses the qualitative paradigm and the case study method. The purpose of the study is descriptive; it is based on seven propositions related to two phases of the business life cycle: the growth stage and the mature stage. Seven companies that correspond to six different economic sectors have been studied.

According to the study results, the factors and dimensions that have impact on OCB in Peruvian companies are different to the ones used in United States, other western countries, and China, due to the economic phase and to social and cultural aspects in Peru and in the organizations. Other conclusion of the study is that there is not a unique typology of Peruvian companies. Although the research established the company profiles considering the stage of the business life cycle in order to identify comparisons and some patterns of OCB, it has been observed that the proper characterization of each company and other factors or difficulties also have an impact on OCB. The study proposes a model of the factors that determine OCB: the stage of the business life cycle and the level of exhibition of the seven dimensions of OCB, the characteristics of the company, and the factors that contribute and difficulties that hinder the achievement of an OCB. This research will analyze the factors that impact the OCB, which will influence the improvement of organizational efficacy.

KEY WORDS*: Organizational Citizenship Behavior*

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INTRODUCTION

Prestigious international organizations, such as the World Economic Forum, the Institute for Management Development, and the World Bank, have measured the level of competitiveness of the economies. In particular, the Global Competitiveness Index published by the World Economic Forum (2011) indicates that the 12 pillars of economic competitiveness are associated not only to the basic requirements, but also to factors that increase innovation, sophistication and efficiency. The factors that increase the labor market efficiency are: flexibility in the labor policies and practices, the efficient use of talent, and, particularly, the cooperation between the worker-employer relationship and the Organizational Citizenship Behavior (OCB) because these relationships can influence the organizational effectiveness, it can enhance the coworker and managerial productivity, the organization's ability to attract and retain the best people, the stability of organizational performance, and the organization's ability to adapt to environmental changes, among others (Podsakoff, MacKenzie, 1997; Organ, Podsakoff, MacKenzie, 2006). In this sense, it is important to understand the factors that determine the level of cooperation within the companies, and to identify and assess the factors that impact the OCB.

The purpose of this research is to study, from a qualitative approach, the OCB in Peruvian companies in order to: (a) identify how the employees exhibit or adopt an OCB in the different stages of the business life cycle; (b) identify the context in which the employees adopt an OCB (for the sake of the individual, group, organization or society); (c) identify the most relevant forms of OCB for organizational effectiveness; and (d) recognize the main obstacles that hinder the achievement of an OCB. A conceptual model of the factors that determine and influence the OCB is also proposed.

The empirical research on OCB is based on studies conducted in developed western countries and in China. The concept of OCB is relatively new in Latin America; therefore, the social and cultural contexts may have impact on the OCB (Farh, Earley, Lin, 1997; Farh, Zhong, Organ, 2004). It is important to add empirical evidence of OCB in different contexts. This study expands the knowledge of OCB in a social and cultural context different than the existing literature, and uses the case of companies in Peru. Peru, according to the Global Competitiveness Index developed by the World Economic Forum (2011), is ranked 67th out of 142 countries. In regard to the cooperation in employer-employee relations, Peru has a score of 4.6 (1 is generally considered to be confrontational and 7 is generally cooperative). The level of cooperation increases the competitiveness and the OCB is part of these employer-employee relations.

BACKGROUND

The OCB is the set of behaviors that contribute to the organizational effectiveness and it is one of the precedents of the organizational performance. According to Barker (2006), it is important to assess and have a realistic view of the organizational processes, the nature and meaning of citizenship within organizations, because it is “an attempt to understand the interactions experienced among humans within the workplace structure” (p. 126). Therefore, the OCB is defined as “an individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system which, in the aggregate, promotes the effective functioning of the organization” (Organ et al., 2006, p. 8). The first component is discretionary, which means that the behavior is a personal choice; it is not required in the job description. The second component is not directly or explicitly recognized by the organizational reward system, i.e. it is not contractually guaranteed by any formal policy and procedure. The third component promotes the efficient and effective operation of the organization.

Prior research on OCB is manly focused on the following aspects: (a) The underlying concepts of the OCB construct, (b) the dimensions of OCB, (c) the background of OCB, (d) the determinants of OCB in the organizations, and (e) the impact of OCB on organizational performance.

Robbins and Judge (2009) studied the behavior of individuals, groups and organizations in order to improve their efficiency. The authors analyzed several factors, such as productivity, absenteeism, rotation and OCB. They defined the latter as a discretionary behavior that promotes the effective functioning in organizations and it is not part of the formal requirements of the job. Several authors studied the variables that impact the organizational behavior and the underlying OCB construct, such as interpersonal cooperation, coordination among the players, reputation, trust, and team work. Interpersonal cooperation is a key component for the success of the organization.

Griesinger (1990) noted that the economic role of cooperation is an "interpersonal resource that promises a clear economic advantage for many organizations and significant betterment for most participants" (p. 497). In addition, in regard to the coordination among agents, Crowston (1997) emphasized that the "design of a process depends on the coordination mechanisms chosen to manage dependencies among tasks and resources involved in the process." (p. 157). The reputation and trust among people, employers, employees, peers and partners are also relevant in organizations. In addition, Sobel (1985), Jones and George (1998), Shmatikov and Talcott (2005), Bottom, Holloway, Miller, Mislin, and Whitford (2006), and Tucker (2008) described the situation in which the person is not sure how to trust the people with whom he/she interacts, conditional and unconditional confidence, the role of agents in the trust relationship, and trust based on the reputation. The characteristics and contextual variables that have an impact on team work have been studied by Dailey (1978), Campion, Papper, and Medsker (1996), Hollenbeck, DeRue, and Guzzo (2004), Mathieu, Maynard, Taylor, Gilson, and Ruddy (2007).

Several researchers have identified the dimensions of OCB (Podsakoff, MacKenzie, Moorman, & Fetter, 1990; Williams & Anderson, 1991; Podsakoff & MacKenzie, 1994; Van Dyne, Graham, & Dienesch, 1994; Moorman & Blakely, 1995; Farh et al., 1997; Van Dyne & LePine, 1998; Podsakoff, MacKenzie, Paine, & Bachrach (2000); LePine, Erez, & Johnson, 2002; Farh et al., 2004; and Organ et al., 2006). Podsakoff et al. (2000) pointed out that there is a lack of consensus on the dimensionality of OCB and they organized it in seven dimensions: (a) Helping behavior: when employees voluntarily help others and prevent the occurrence of work-related problems; (b) Sportsmanship: when employees, who are "good sportsmen", do not complain, maintain a positive attitude and are not offended when others reject their suggestions; (c) Organizational loyalty: when employees promote the organization to outsiders, protecting it against external threats and remaining committed to it even under adverse conditions; (d) Organizational compliance: when employees follow the organizational rules and procedures, even when nobody is watching or supervising them; (e) Individual initiative, when the employees carry out higher level tasks than the expected, they improve their tasks showing extra effort, voluntarily engage in additional responsibilities and encourage others to do so; (f) Civic virtue: when the employees are committed to the organization as a whole, to the policies, to monitoring the threats and opportunities, and to do what's best for the organization even at a personal cost; and (g) Self-development: when the employees are voluntarily committed to improve their knowledge, skills and abilities, and to increase the level of contribution to the organization.

Jahangir, Akbar, and Haq (2004) studied the background of OCB, i.e. the factors that promote or hinder the employee's performance in an organization, which will help "to enrich the understanding of how various work conditions affect an employee's willingness to engage in OCB" (p.82) so that managers can encourage the OCB among the employees in order to achieve the best performance. The variables identified by Jahangir et al. (2004) that may affect the employees' willingness to engage in OCB were: job satisfaction, organizational commitment, leaders' behavior, fairness perception, individual disposition, motivational theories, and the employee's age (p. 81). The authors also emphasized that if managers know the background of the antecedents of OCB, they will be able to

promote it among their employees and monitor those behaviors that go beyond the job description and that contribute to the organizational effectiveness.

Personality, leadership and job satisfaction were the studied factors that determined the OCB in the organizations. Organ et al. (2006) mentioned that the theory suggests that personality will predict the OCB better than any other indicator of work performance productivity or technical excellence; however, this prediction is not supported in all research studies. Organ et al. (2006) stated that leaders can influence the employees' motivation and the ability or opportunity to engage in OCB. Podsakoff et al. (1990) found that transformational leadership influences the OCB through trust. With regard to job satisfaction, Robbins and Judge (2009) found that when the employees perceive that organizational processes are fair, their confidence is boosted and this generates a greater willingness to voluntarily engage in behaviors that go beyond the formal requirements. Organ et al. (2006) studied the level of commitment of an employee with OCB either for the sake of the employee, for the good of others, or for the good of the organization.

In regard to the impact that OCB has on organizational performance, Podsakoff and MacKenzie (1997) identified the following elements: "(a) enhancing coworker and managerial productivity, (b) freeing up resources so they can be used for more productive purposes, (c) reducing the need to devote scarce resources to purely maintenance functions, (d) helping to coordinate the activities both within and across work groups, (e) strengthening the organization's ability to attract and retain the best employees, (f) increasing the stability of the organization's performance, and (g) enabling the organization to more effectively adapt to environmental changes."

PROPOSITIONS

The stage of the business life cycle is crucial in order to study the factors that have an impact on OCB in Peruvian companies. The case study has relied on the theoretical propositions related to the stage of the business life cycle, as a way to guide the case study analysis, help to focus attention on certain data, and define alternative explanations. Two types of companies have been selected in this research: Peruvian companies in a growth stage and Peruvian companies in a mature stage. As Schein (2004) highlighted, the organizational culture and leadership will depend on the organizational stage of the company. In a young company in the growth stage, the culture embedded by the founder–who acts as a leader–is very important; while in a mature company the culture and leadership is more embedded in the organization. Leaders embed the beliefs, values, and assumptions through mechanisms that vary among the companies in the way they: (a) pay attention, measure and control; (b) react to critical incidents and crisis; (c) allocate resources; (d) role modeling, teaching, and coaching; (e) allocate rewards and status; and (f) recruit, select, promote, and excommunicate. In young organizations, "design and structure, systems and procedures, rites and rituals, architecture, stories, and formal statements of philosophy, creeds, and charters, are cultural reinforcers, not cultural creators" (Schein, 2004, p. 262). Smith and Gannon (1987) studied the different stages of organizational growth and development, and assessed the organizational structure, reward system, communication process, planning process, formalization and adherence level, judgment level and method of decision making, top level management, organizational growth rate, and organizational age and size, for the entrepreneurial stage, high-growth stage, and maturity stage. Young companies are in a growth stage and mature companies are in a mature stage. The seven dimensions of OCB—helping behavior, sportsmanship, organizational loyalty, organizational compliance, individual initiative, civic virtue, and self-development—have been evaluated in the two types of companies, identifying how employees behave in companies in a growth stage and in companies in a mature stage.

In the case of helping behavior—i.e. when employees voluntarily help others and prevent the occurrence of work-related problems—employees in Peruvian companies in the growth stage will tend to help their coworkers more as a result of its early stage of growth and the necessities of this stage. In these companies there is more collectivism, diffuse roles, and individuals have less unilateral actions. According to Quinn and Cameron (1983) who presented a four stage model, in the second stage of the organizational life cycle—the collectivity stage—human relation models are important and are related to informal communication and structure, a sense of family and cooperativeness, commitment and personalized leadership.

Proposition 1a: Employees at Peruvian companies in the growth stage will likely exhibit helping behavior more than the employees at Peruvian companies in mature stage.

Lester and Parnell (2008) highlighted the third Success (Maturity) stage where formalization and bureaucracy are the norm. There is a formal organization structure, job descriptions, procedures, and reporting relationships, and the top management focuses on planning and strategy, leaving daily operations to middle managers. Employees in companies in the mature stage will tend to show sportsmanship behavior when employees who are "good sportsmen", do not complain, maintain a positive attitude, and are not offended when others do not follow their suggestions. Employees at companies in the growth stage will tend to have less sportsmanship, because they are strongly pressured for doing their job and no committee or groups are responsible for important decisions.

Proposition 1b: Employees at Peruvian companies in the growth stage will likely exhibit sportsmanship behavior less than employees at Peruvian companies in the mature stage.

In the case of organizational loyalty—i.e. when employees promote the organization to outsiders, protecting against external threats, and remain committed to the organization even under adverse conditions—employees at companies in the growth stage will be less likely to have this OCB dimension. Since these companies are in their early stage, they have closed systems, are secretive and are not open to newcomers and outsiders. As Gray and Ariss (1985) pointed out, in the early stage there is a symbolic management policy due to the centralization of power and few connections to external agents, in contrast to the maturity phase, where there are institutionalization power and ideology policies because of the second generation of leadership, i.e. the company is bigger, is managed bureaucratically, and hierarchy and specialization are used to efficiently accomplishing the goals.

Proposition 1c: Employees at Peruvian companies in the growth stage will less likely perform organizational loyalty in comparison with the employees at Peruvian companies in the mature stage.

The organizational compliance—which refers to the employee's acceptance and adherence to the rules, regulations, and procedures, even when no one is supervising—is more likely to occur at Peruvian companies in the growth stage. Usually, in these companies there is no flexibility and the founder/leader is the one that embedded the culture. Harris and Raviv (2002) emphasized that young firms have a centralized flat structure when the CEO is highly involved in coordination activities.

Proposition 1d: Employees at Peruvian companies in the growth stage will likely demonstrate organizational compliance more than the employees at Peruvian companies in the mature stage.

According to Quinn and Cameron (1983), in the third organizational life cycle (the formalization stage) effectiveness is defined on two models, internal process and rational goals models, which means goal setting and attainment, productivity, information management, communication, and control. In the case of an individual initiative, i.e. when employees engage in task-related behaviors at a level that goes beyond the minimally required, improving one's task, showing extra effort, volunteering on extra responsibilities, and encouraging others to do

it. In contrast, employees at companies in the mature stage are more likely to engage in this behavior. These employees are more result oriented and comfortable in unfamiliar situation; each day is a new challenge for them. Employees at companies in the growth stage are less likely to have this behavior.

Proposition 1e: Employees at Peruvian companies in the growth stage will likely engage in individual initiative less than the employees at Peruvian companies in the mature stage.

In the case of civic virtue—i.e. when the employee is committed to the organization as a whole, to its governance, to its threats and opportunities, and to look out for the best interest of the organization even at a personal cost—the employees at companies in the growth stage are less likely to engage in this behavior. In these companies, the decisions made by the founder/leader change and are usually not predictable. Gupta and Chin (1994) stated that the concern on organizational effectiveness is important in the late growth and maturity stages.

Proposition 1f: Employees at Peruvian companies in the growth stage are likely to exhibit civic virtue less than the employees at Peruvian companies in the mature stage.

In the case of self-development—i.e. when the employees are voluntarily committed to improve their knowledge, skills, and abilities and increase their contribution level in the organization—employees at companies in the growth phase are more likely to engage in this behavior. Usually, employees at companies in the early stage of development need to improve their capabilities. It is important to mention that Gupta and Chin (1994), in a three stage model emphasized that individual effectiveness is important in the early stages. In addition, Randolph and Posner (1982) developed a four stage model to state that in the second phase (growth phase) the efforts are directed to rationalization, institutionalization, and improving performance.

Proposition 1g: Employees at Peruvian companies in the growth phase are likely to demonstrate self-development more than employees at Peruvian companies in the mature phase.

METHOD

The study used a qualitative approach to explore the factors that determine the OCB in the companies and to develop a model that could explain the constructs of OCB in these enterprises. The used qualitative strategy was the case study and the applied technique was the design of multiple case studies embedded by the analysis units evaluated in each case study (Yin, 2003). Multiple sources of evidence (interviews, documentation, files, direct observation, and physical evidence) were also analyzed to interpret each organization considered in the study.

The case studies have been selected based on the 2009 edition of "Peru: The Top 10,000 Companies". From this group, seven companies from different economic sectors were selected. The "homogeneous sampling of people who are members of a subgroup with distinctive characteristics" (Creswell & Plano Clark, 2007, p. 112), and "a type of stratified sampling with a specific purpose that illustrates subgroups and facilitates comparisons" (Miles & Huberman, 1994, p. 28) were used in this study. The aspects considered to select the sample were: (a) large companies which are representative of their economic sector and show a significant growth in recent years; (b) companies concerned in corporate governance; (c) companies that have a significant number of workers; and (d) companies that have implemented human resources management policies and are aware of people management. The informants of the case studies belong to the directive and management level. The number of evaluated case studies has been determined by saturation, which is the decreasing marginal contribution of each additional case (Gummesson, 2000). Logical replication was also used. The research included seven case studies (twenty four interviews) considering Peruvian companies in the growth and maturity stages (Table 1).

The cases were individually and crosswise analyzed to identify the patterns related to the OCB and the stages of the business life cycle (growth and maturity). The following strategies were used to ensure *construct validity*: (a) triangulation of the information; (b) a chain of evidence was maintained in the analysis; (c) the researcher's bias was clearly specified; (d) quasi-statistics were carried out to analyze the information related to each particular conclusion (Maxwell, 1996; Creswell, 2003); (e) one pilot case was carried out. To ensure i*nternal validity*, the study used the *pattern matching* strategy; patterns emerging from the comparison of cases provided the bases to establish the conclusions of the research. To ensure *reliability*, the study used the following strategies: the use of a protocol case, the use of a data base in each case, the of use of an external researcher to verify the contents and logic of the information analysis and to compare the conclusions with the ones the researcher considered as emerging from the information.

Table 1:Overview of Case Studies Background

	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6	Case 7
Sector it belongs to	Mining	Banking	Banking	Insurance	Retail	Equipment and Machinery Trade	Foods and beverages
Type of Activity	Production of Goods	Production of services	Production of Services	Production of Services	Production of Services	Production of Services	Production of Goods
Number of Informants	6	4	3	1	4	2	4
Years in Operation	Between 20 and 60	More than 60	Less than 20	Less than 20	Less than 20	More than 60	More than 60
Income Range 2010 (Million Soles)	More than 3,000	More than 3,000	Between 1,001 and 2,000	Up to 1,000	Between 2,001 and 3,000	Between 2,001 and 3,000	Between 1,001 and 2,000
Number of workers	Between 7,001 and 10,000	More than 10,000	Between 4,001 and 7,000	Up to 1,000	More than 10,000	Between 1,001 and 4,000	Between 1,001 and 4,000
Most representative category	Manual workers	Employees	Employees	Employees	Service Representatives	Mechanics	Manual workers
Gender with the highest participation in the labor force	Mainly men	More women than men	More women than men	More woman than men	More men than women	Mainly men	Mainly men

CASE ANALYSIS AND RESULTS

OCB in the companies

The study analyzed how the forms of OCB organized by Podsakoff et al. (2000)—helping behavior, sportsmanship, organizational loyalty, organizational compliance, individual initiative, civic virtue and self-development—are exhibited or realized in the case studies. For the assessment, the used methodology has made it possible to qualify the presence or absence of the twenty dimensions and to classify the seven forms of OCB as high, medium or low (Table 2). For the analysis of behavior patterns, the propositions about the seven OCB have been used, in case the company is in a growing stage or in a mature stage.

Based on the informants' testimonies, the study results show that four propositions have been supported, two have been partially supported, and one of them has no impact on the organizational life cycle. These results would reflect that there are certain considerations of the company itself, which have a considerable impact on the exhibition of certain OCB.

According to the informants' statements, Proposition 1a has been supported. In helping behavior, the spirit of cohesion shown by certain companies has an important influence as a

result of the work characteristics or the culture. However, in several case studies, a special mention has been made to the fact that it is not only necessary to promote cooperation, but it is also necessary to train the supervisors to promote cooperation. With regard to the preventive actions taken by the employees, this does not happen in all the cases, since they tend to be more reactive than preventive and, in some cases, these only happen at a corporate level.

In the sportsmanship behavior, two dimensions have been assessed. First, the willingness to do a better job even though there are inconveniences at work. Second, the expression of dissatisfaction due to changes. Based on the informants' statements, Proposition 1b is supported. In this aspect, a special emphasis was placed on the importance of communication when changes are made. In some cases, the culture and the characteristics of the company itself make an influence.

In the case of organizational loyalty, according to the business life cycle, Proposition 1c is partially supported as stated by the informants. This is so, because pride towards the company and the employee's commitment, even under adverse conditions, is highly recognized in all the case studies. One factor that has also been mentioned in this behavior is the communication channels and how employees feel they are informed about the important events in the company.

Clarify everything. Look, here we face the world. Not only when there are good news. We have to know the bad news quickly and address them even more quickly. (Case 1 Informant 2 103:103)

In the case of organizational compliance, the focus was on the dimension of rules, standards and procedures compliance even though the employee is not supervised, and the dimension of the good use of the resources. In this behavior, the company culture might have an influence. According to the informants' statement, Proposition 1d would not apply, since the life cycle has no impact on the measure of this behavior.

According to the informants' statement, Proposition 1e regarding the individual initiative has been supported in the study. It is observed mainly in companies in the mature stage. The aspects to be highlighted in this behavior are the performance of tasks that go beyond the requested duties, the promotion of ideas, opinions and the introduction of improvements among the employees.

We have not done it formally and I believe that is a mistake. I would like to promote that a lot. It is not that I am thinking all day about the employee or the executive, instead the executives shall think about themselves and their development in regard to mine security (Case 1 Informant 5 98:98)

According to the informants' statement, the civic virtue behavior is the least observed in the case studies. This behavior has a smaller presence in companies in a growing stage, which supports the Proposition 1f. From the studied dimensions, the active participation in the governability of the company and the follow-up of threats and opportunities, the level of participation is low or only exhibited by some groups within the company.

Yes, the maximum that can be lowered, especially in the aspects that are part of the vision and mission. During these strategic planning processes, we review the vision and mission every year. This is very interesting, because in this case it is lowered a lot. We give them this and they review it. We don't start from the ground up; we start from what we have nowadays. (Case 7 Informant 1 162:163)

Self-development behavior and its relation with the business life cycle is what Proposition 1g refers to and it is not fully supported according to the informants. This result comes from the fact that the employees' desire to improve their knowledge, skills and abilities will be mainly determined by the desire for self-improvement shown by employees in certain companies and because they work in more competitive sectors and not so much because of the life cycle of the company.

The study results of the seven propositions have provided researchers with a vision of organizational processes and of the nature and meaning of citizenship in the organizations. In line with Barker (2006), the results show the importance of knowing the managers' scope of the influence and their skill to influence on the desired direction. In addition, the research results would contribute to the conceptualization of the OCB and to build a theory in the future (LePine et al., 2002).

Table 2:Patterns of OCB dimensions

		Companies in growth stage				Companies in maturity stage		
		Case 1	Case 3	Case 4	Case 5	Case 2	Case 6	Case 7
1a	**Helping behavior**	**High**	**High**	**High**	**High**	**High**	**High**	**Medium**
	Helping behavior	(+)	(+)	(+)	(+)	(+/-)	(+)	(+/-)
	If Supervisors Promote Cooperation	(+/-)	(+/-)	(+)	(+)	(+)	(+/-)	(+/-)
	Preventive Actions taken by the Employees	(+/-)	(+/-)	(+/-)	(+/-)	(+)	(+)	(+/-)
	Level of Excessive Cooperation that Affects Work Performance	(+/-)	(-)	(+)	(-)	(-)	(+/-)	(-)
1b	**Sportsmanship**	**Medium**	**High**	**Low**	**High**	**High**	**High**	**Low**
	Willingness to Do Better even in the Presence of Problems	(+)	(+)	(-)	(+)	(+)	(+)	(-)
	Expression of dissatisfaction due to changes	(+)	(-)	(+)	(-)	(+/-)	(-)	(+/-)
1c	**Organizational loyalty**	**Medium**	**High**	**High**	**High**	**High**	**High**	**Medium**
	Promotion of the organization to third parties	(+/-)	(+)	(+)	(+)	(+)	(+)	(+/-)
	The employees communicate important facts in the organization	(+/-)	(+/-)	(+)	(+)	(+/-)	(+/-)	(+/-)
	Willingness of employees to clarify misunderstandings	(+/-)	(+)	(+)	(+/-)	(+)	(+/-)	(+/-)
	Employee's Commitment even under adverse circumstances	(+)	(+)	(+)	(+)	(+/-)	(+)	(+)
1d	**Organizational compliance**	**Medium**	**High**	**High**	**High**	**High**	**High**	**High**
	Compliance with Rules, Standards and Procedures even without being observed	(-)	(+/-)	(+)	(+)	(+)	(+)	(+/-)
	Good use of the organization resources	(+)	(+)	(+)	(+)	(+/-)	(+)	(+)
1e	**Individual initiative**	**Low**	**High**	**Medium**	**High**	**High**	**High**	**High**
	Performance of tasks that go beyond the requested duties	(+/-)	(+)	(+/-)	(+/-)	(+/-)	(+)	(+)
	The company promotes the expression of ideas and opinions	(-)	(+)	(+)	(+)	(+/-)	(+/-)	(+)
	The company encourages among employees to introduce improvements at work	(-)	(+)	(-)	(+/-)	(+)	(+/-)	(+)
1f	Civic virtue	**Medium**	**Medium**	**Low**	**Low**	**Medium**	**High**	**Medium**
	Level of organizational commitment as a whole	(+)	(+)	(+)	(+)	(+)	(+)	(+)
	Employees' willingness to participate actively in governance	(+/-)	(+/-)	(-)	(-)	(+/-)	(+/-)	(+/-)
	Employees follow up with the Organizational opportunities and threats	(+/-)	(+/-)	(+/-)	(-)	(+/-)	(+)	(+)
	Employees watch the company's interest at a personal cost	(+)	(+)	(+)	(+)	(+/-)	(+)	(+/-)
1g	**Self-development**	**Medium**	**High**	**Medium**	**Medium**	**High**	**Medium**	**Medium**
	Improvement of Knowledge, Skills and Abilities by the Employees	(+/-)	(+)	(+/-)	(+/-)	(+)	(+/-)	(+/-)

SCOPE OF THE OCB

Organ et al. (2006) studied whether the employee's commitment to an OCB is generated for the sake of the employee (personal gain), for the sake of others (support to the leader and co-workers), or for the sake of the organization (the impact it has on the relevant organizational aspects) and the society in general. Therefore, the study analyzed if the OCB emerge from the employees or not and its scope of action (Table 3).

The results show that the prevailing OCB is related to the organization's best interests. This is explained by the employees who feel proud of the company, by their identification with the company, and acknowledge that they're going to grow to the extent that the organization will also grow, as shown in the following cases:

I would say that he wants to feel good and he wants to be in an organization that works well in order to feel good as a person and good in regard to the organization, because he cannot be in an organization that is not good, so to speak. (Case 2 Informant 1 94:94)

I believe that what they want is to grow and develop along with the organization—themselves and as an organization. Exactly. I have seen when the spirit of growth appears. They do not want to stay behind. If the company is growing, there are new opportunities and they want to be prepared to take them, i.e. they grow hand in hand with the company. (Case 5 Informant 4 244:246)

The sake of the group is also important because many employees are identified with the department, group or unit where they work. The sake of the person is ranked third in importance and is determined by the desire for improvement and professional development. Finally, the results show that the sake of the society occurs less frequently and is only relevant for those companies in which the social aspects and the relationship with the environment constitute a crucial part of the corporate policies and strategies.

Table 3:Scope of the employees' OCB

	For the person's sake	For the group's sake	For the organization's sake	For the society's sake
Case 1	x	x	x	x
Case 2	x	x	x	
Case 3	x		x	
Case 4		x	x	
Case 5	x	x	x	x
Case 6	x	x	x	
Case 7		x	x	x

FORMS OF OCB AND THE IMPACT ON BUSINESS MANAGEMENT

The study analyzed which dimensions of OCB were considered to be the most relevant in order to improve the business management and effectiveness. The results show that loyalty and self-development are the behaviors with the greatest impact on organizational management. In four of the seven case studies, loyalty is the most important, while self-development is the most relevant in the other three cases (Table 4), as shown in the following cases:

I believe that self-development and helping behavior are the core subjects. The help, group work and personal growth or self-development make people want to grow, and they use the bank or the organization as a means to accomplish this. (Case 3 Informant 2 122:124)

Table 4:Forms of OCB and the impact on business management

	Organizational Citizenship Behaviors
Case 1	Loyalty is most important. Then optimism, initiative, solidarity, civility and self-development.
Case 2	Self-development and individual initiative. Then compliance, loyalty and helping.
Case 3	Self-development and helping. Also innovation, sportsmanship and sense of humor.
Case 4	Loyalty and helping. Then sportsmanship, compliance and self-development.
Case 5	Emphasis on self-development. At a lower level, compliance, sportsmanship, helping and team work. At a
Case 6	higher level, self-development, sportsmanship, adaptability to changes.
Case 7	Organizational loyalty and self-development, the strongest.
	Today loyalty, initiative and compliance. What the company wants is for self-development to be the *driver*.

OBSTACLES FOR OCB

The obstacles that may prevent employees from engaging in an OCB are the behaviors that affect efficacy, conflictual situations, constant changes in the company, and a stress level due to changes. Robbins and Judge (2009) mentioned that the deviant behavior in the workplace, the changes and stress may impact the organizational behavior.

According to the informants, the study results show that in three of the seven case studies there are behaviors that affect efficacy, such as the employees' behavior, lack of closeness and communication, union actions, the work environment and the company culture. These factors do no help to achieve an OCB. In the other case studies, the informants mentioned that these behaviors were almost inexistent and were more related to some work-related situations in each specific area that may affect other areas within the organization.

Conflictual situations may also pose obstacles to achieve OCBs. According to the informants, in three case studies there were no conflictual situations. Two case studies had conflictual situations mainly due to union actions or to very different positions among the areas. In one case study, the informants stated that there were few conflictual situations which might be caused by the lack of communication or by a situation with the supervisor.

With regard to the constant changes in the companies, the informants of five case studies mentioned that changes in the company were a constant feature, and these would continue because the company is growing, it is very dynamic sector, and innovations are constantly introduced into the company. One characteristic of this kind of companies is that they work along with the employees to accept and adapt to each of these changes.

The level of stress is high in six of the seven case studies, according to the informants' statements. Many of these companies are taking action to mitigate the stress with strict work schedule policies, anti-stress programs, coupon books to allow certain schedule flexibility for the collaborator to deal with personal matters, among other activities. Table 5 shows the study results.

Table 5: Obstacles that hinder the engagement in an OCB

	Behaviors affecting efficacy	Conflict situations	Constant changes in the company	Level of stress because of changes
Case 1	There is some	There is some	Few changes	A little
Case 2	Minimal	There is none	Constant	High
Case 3	Minimal	There is none	Constant	High
Case 4	There is none	There is none	Few changes	High
Case 5	There is some	Minimal	Constant	High
Case 6	There is none	There is none	Constant	High
Case 7	There is some	There is some	Constant	High

CONCEPTUAL FRAMEWORK BASED ON OCB

The results of the research and the literature review about Organizational Citizenship Behavior (OCB) have allowed proposing a model that includes the factors that determine the OCB (Figure 1). Three aspects have been taken into account to formulate the model. First, the use of the organizational life cycle—a four-stage model—to measure the presence or exhibition of the seven OCB dimensions: helping behavior, sportsmanship, organizational loyalty, organizational compliance, individual initiative, civic virtue, and self-development. From the seven propositions studied, four of them were supported, two propositions were partially supported, and one of them has no impact on the organizational life cycle. Second, the characteristics of the companies—which includes the leader's influence, the work environment and characteristics of the task—the characteristics of the organization, the characteristics of the group work, human resources practices and policies, the use of the talent, and the cooperation

relation between the employee and the employer are the variables that influence the OCB and the exhibition of each of the seven dimensions of OCB in the companies. The study results show the importance of these variables in the case studies, regardless of the organizational life cycle. Therefore, it is important to know the level of influence of each characteristic in the OCB. Third, the identification of the factors that contribute to achieve OCBs, which are the following: the level of trust in the company, the level of trust in the boss, the level of satisfaction, and the cultural influence, as well as those that hinder the achievement of OCB, such as behaviors that affect efficacy, conflictual situations, constant changes and stress due to changes. The study shows the factors that contribute to achieve OCBs and the obstacles that prevent companies to achieve OCBs in each study case.

The study of the three aspects has made it possible to identify different patterns of OCB in Peruvian companies, and to assess the tendency to show each of the seven dimensions of OCB, according to the stage of the organizational life cycle. There is not a single typology. The characterizations of each company and the factors or obstacles that hinder the achievement of OCBs in each of them are relevant in the study results.

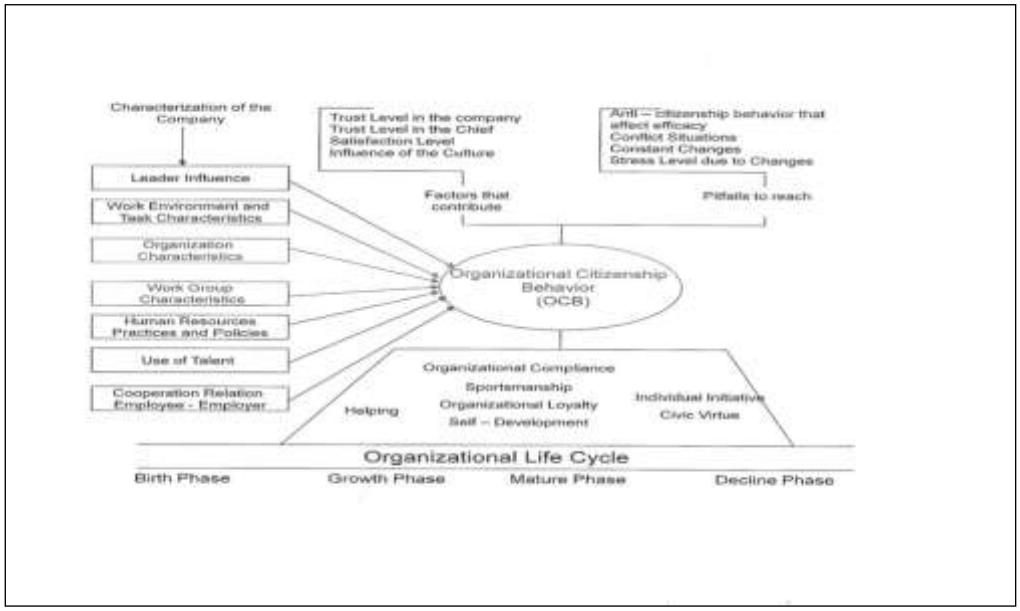

Figure 1. Model of the factors that determine the Organizational Citizenship Behavior

DISCUSSION

The study has contributed to the knowledge of OCB as a field of research, for different reasons. First, the qualitative research method has helped to discover the way certain social processes are developed in the organizations, identifying the different patterns of OCB underlying in the companies. Several of the concepts proposed in this study may be used in future research. Second, the use of propositions has guided the case study analysis, identifying companies that are in a growing stage and companies that are in a mature stage. The use of propositions have made it possible to find that, in some cases, the exhibition or the realization of certain OCB—to a greater or lesser extent—may be determined by the business life cycle, while in other cases, aspects such as the sector, the organizational culture, the demographic characteristics of the employees, and the environment where the operation takes place may have an influence. In addition, certain typologies have been established through the use of propositions. The attention has been focused on specific information and some alternative

explanations have been defined. Finally, the research contributed to the proposal of a model to study the different factors to be considered, and established a methodology to assess the degree of the presence or absence of specific dimensions in each one of the seven OCB proposed in the study.

The value of this study is also its contribution to the current literature, with regard to the factors that impact OCB, the context in which the employees adopt an OCB; identify the most relevant forms of OCB for organizational effectiveness; and recognize the main obstacles that hinder the achievement of an OCB.

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ORIGINAL RESEARCH PAPERS

Examining and comparing the economic effects of spillovers of investment risk in Iran: Computable General Equilibrium Model Approach[3]

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ABSTRACT

Investment is as much as important for economic and social development that it is considered as one of the powerful levers for achieving the development. Accordingly, it is of great importance to assess the investment risk and its spillovers in all developed and developing countries because the risk phenomenon is one of the key features of decision making in the field of investment, affairs related to financial markets and a variety of economic activities. In this regard, the present paper evaluates the effect of investment risk spillover on key economic indicators using a computable general equilibrium model and the GTAP.9 database and the 2011 social accounting matrix (SAM) have been used for this purpose. Two scenarios of 10% and 3% increase in investment risk are considered in order to investigate the effect of these changes according to a recent trend analysis of economic indicators in Iran and the trend of the Iranian economy towards globalization and opening of the economy windows. The results show that both scenarios reduce investment risk, inflation, gross domestic product and total investment. Government expenditures are reduced in all sectors of the economy except for the service sector, which is almost unchanged. The exports are increased in all sectors and the imports are declined in sectors of agriculture, industry and services. As well as, the results show that the import of the oil and gas sector has not been heavily influenced by the investment risk due to its governmental status. By assessing these two scenarios and the sensitivity of the macroeconomic indicators to the degree of risk change, it can be stated that the key economic indicators will be significantly improved by managing the risk of investment; and the country will ultimately follow the development path more quickly.

KEY WORDS: *Risk spillover, Investment, Computable General Equilibrium Model*

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INTRODUCTION

Controlling and monitoring the financial risk have been considered by many businessmen, policy makers and financial market researchers in recent years. The main concern of the activists is related to the large incompatible movement in the market through financial risk monitoring. Extreme market dynamics indicate a huge movement of capital among market participants, in which the bankruptcy of some market participants will be inevitable. The presence of extensive communication between financial markets vindicates the monitoring and control of risk in various markets. In trade and exchanges between the two countries, as there are some spillovers such as technology and investment spillovers that could have beneficial effects for the country, it could also lead to spillover of risk, which such this could have adverse effects on the economic structure of the country. Risk spillovers in Iran's economy can affect the economy of the country through the oil and foreign exchange markets, but given the fact that these two spillovers result in spillovers of investment risk, the focus of the spillovers in this study are based on investment risk spillover. Global literature suggests that, generally, as technological and investment spillovers are from large economies to small economies, risk spillovers are also moving in the same direction. The research seeks to answer the following questions: (1) Do investment risk spillovers affect macroeconomic indicators in Iran? and (2) How much is the extent of the impact of risk spillovers on the indicators of inflation, production, government expenses, imports, exports, total investment, and the welfare index? To answer the questions, the framework of the article is presented in the way as follows: (1) The introduction; (2) The subject literature; (3) The theoretical foundations, (4) The model estimation; and in the end, (5) The conclusion.

LITERATURE

Several studies have been conducted in the world literature and literature inside Iran about the subject matter of the paper, some of which are dealt with in this section.

Du and He (2015) have investigated the spillovers of extreme risks between crude oil and stock markets. Based on the method of Granger causality in risk, Value at Risk (VaR) is employed to measure market risk. Empirical results revealed that there are significant risk spillovers between the two markets.

Lin and Li (2015) have investigated both price and volatility spillover effects across natural gas and oil markets of US, Europe and Japan in a comprehensive VEC–MGARCH framework. In all cases, the results support the presence of price spillover from crude oil markets to natural gas markets, but a reverse relationship does not exist. It was also found that the volatility in oil market seems to spillover to the natural gas market, and vice versa, in both US and Europe. On the contrary, volatility seems to be independent in natural gas and oil markets in Japan.

Shakeibaei and Teimori (2012) have applied new risk management tool, VaR methodology, and Granger causality test in risk to examine the risk spillover effect in both crude oil market and US dollar exchange market. Results have shown that, from the perspective of market risk, interaction between crude oil market and US dollar exchange rate does not seem strong.

Mc Dougall et al., (2012) in an article entitled General equilibrium mechanisms and the real exchange rate in the GTAP model have suggested that, because different economic sectors are interconnected, the impact of shock in one part of the economy can be found in other parts sight. According to the results of this paper, the initial increase in the exchange rate will increase exports and change the trade balance.

Jalaee et al., (2016) have examined the effects of the exchange rate shocks on investment and employment in Iran, Using a CGE Model, based on the GTAP 8 dataset. The results have shown that the total investment in all areas examined is aligned with exchange rate changes. Also, positive exchange rate shocks can increase overall employment rate.

Heidari et al., (2017) have investigated macroeconomic and sectoral effects of labor immigration in Iran, applying a CGE model. The results have showed that both skilled and unskilled labor immigration, lead to reduction in economic growth, investment and capital return. This also reduces the production of various economic sectors.

Gharibnavaz and Waschik (2017) have detailed recent international sanctions against the Iranian economy and its government imposed by a subset of developed countries, using a CGE model. Their study have found, based on the GTAP 8 dataset, that international sanctions reduced aggregate Iranian welfare by 14%–15%. The government of Iran sees a decrease in real revenue of 40%–50%, due to the large negative effect of sanctions on the Iranian oil sector.

Phimister and Roberts (2017) have explored the importance of allowing for uncertainty in the magnitude of exogenous shocks in Computable General Equilibrium (CGE) models. The results have shown that the extent to which allowing for uncertainty can influence the magnitude of estimated impacts with some variables more sensitive to the uncertainty than others.

Farajzadeh et al., (2017) have developed a CGE model to study the potential welfare and environmental impacts of Iran's trade reform for accession to the World Trade Organization (WTO). The results have shown that removing trade barriers not only results in higher welfare and GDP as well as lower prices due to efficiency gains, but also reduces emissions of greenhouse gases in terms of CO2 equivalent.

THEORETICAL FOUNDATION

Introduction of the GTAP A Multi Regional General Equilibrium Model (Nejati, 2012)

The "Global Trade Analysis Project" model is a static model and does not include any dynamic effects of technological change, population growth and capital stock. Behavioral activities and inter-departmental and inter-regional exchanges consist of two components of the main equations consisting of accounting relationships and behavioral equations. The accounting relationships include the data available in the social accounting, data-output matrix tables, and behavioral equations indicate the behavior of economic factors in the model that relates to production, consumption, savings and regional investment. Its mathematical model consists of a set of nonlinear equations derived from the theory of microeconomic maximization by the Doug all method with accounting relationships. Each region consists of four economic factors, including the household representative of the region, private households, government, and enterprises. The regional household has the basic elements used in the production of enterprises. The regional household income is the sum of the sales value of the production factors and the types of taxes and tariffs allocated these revenues to savings, the private household and the state based on a Cobb Douglas function. Private households and the government, having received income from the regional household, buy the goods and services they need from domestic and foreign markets. The demand for private households is evaluated based on the functional form of the Constant Difference Elasticity Function (CDE function), which was originally provided by Hanoch (1975); therefore, the private household demand will have a Non-Homothetic type, which, along with income changes, will not be a constant share of the cost of various goods in the household budget. The government's consumption demand functions are extracted using a Cobb Douglas utility function, which has a constant share of the cost of various goods. Firms use intermediate goods and, Factor inputs including labor, capital, land, and natural resources for the production of goods and services, and by combining these factors produce various types of goods and services. There are five factors of production, including land, skilled labor,

unskilled labor, capital and natural resources. All factors, except for land and natural resources, are fully mobile across different sectors, but none of the factors of production is tradable or has international mobility. Selling these goods happens inside and outside of each region. Based on Standard Closure for the Global Trade Analysis Project, the production of all sectors, land, labor, capital and natural resources, and all prices are determined within the framework of the model or, in other words, are endogenous. The Numeracies in the " Global Trade Analysis Project" model is the world price index of primary factors, which is usually exogenous and is the weighted average of the price of the factors of production in all regions. It should be noted that depending on the type of research, it is possible to assume a different macro closures. Finally, the model is the percentage change, using the GEMPACK8 software (Harrison, Pearson, 1994) (Hertel et al., 1997).

In the general equilibrium model that can be calculated for the implementation and application of each scenario, a change is required in the model standard closure. In other words, the combination of the endogenous and exogenous variables of the model must be changed. In addition, the number of functions must be equal to the number of unknowns so that the system can be solved. Therefore, the classification of variables in the closing of each model depends on the economic problem, in a way that is in line with the purpose and policy. Moreover, this classification should have economic logic. Although users are free to choose the closure, it should be noted that the standard is the neoclassical global trade analysis project, so that all markets are in balance, the activity of all firms are under the premise of zero profit and the regional household on the budget line.

The first new function that is considered in the table and shows the effect of internal equilibrium on product changes is the function of the initial factors.

$$qo(i , r)= qocom (i) + qoreg (r) + qoall (i , r) \quad (1)$$

In function (1), qo (i,r) is the change percentage in the amount of product related to the initial commodity i in the region r and are determined by three primary factors that are normally exogenous in the standard GTAP. Adding this new function and primary shifter makes it easier to isolate the internal and external balance. These three primary factors in the regions r and quall are the change percentage in the amount of the product related to the primary factor in the region r.

The second new function introduces another closure variable, which is the total actual per capita consumption (uc) as the sum of government and private sector spending. It should be noted that for the separation of curves FE and BP, the variable uc is used. Adding a function to define this variable expresses its endogenousity in the GTAP standard closure.

$$AGGEXPAND (r) . uc(r) = PRIVEXP (r) . up(r) + GOVEXP (r) . ug(r) \quad (2)$$

In function (2), uc(r) , is the per capita consumption utility of the government and private sector in the region r. This endogenous variable is divided into up(r) and ug(r), which are the per capita consumption of the private sector and the government, respectively.

The two remaining variables that are effective in the closure are dpsave and pfactor(r). dpsave represents the growth rate of a part of the income that affects the savings distribution based on the savings function in the region r. Also, the change in dpsave affects the balance of investment-savings.

$$Psave (r)+ qsave (r)- y (r)=uelas (r)+dpsave (r) \quad (3)$$

In function (3), psave is the change percentage in the savings price in the region r, qsave (r) is the change percentage in regional demand for net savings, y(r) is the change percentage in the regional household income in the region r, uels is the elasticity of the cost relative to the changes in desirability. dpsave (r) is the savings distribution parameter.

8 General Equilibrium Modeling Package

The intended shock is applied by the variable pfactor which is the weighted average of the relative price of the production factors. This variable, which is an appropriate index to show the real exchange rate, is considered by the equations (4), (5) and (6) in the standard closure.

$$VENDWWLD \cdot pfactor(r) = \sum_{i \in END-COM} (VOM(i,r) \cdot pm(i,r)) \quad (4)$$

Function (4) calculates the percentage of changes in the primary price index in each region. In this function, pfactor(r) is the primary market price index in the region r (average weight of the variety of production factors receivables), VENDWWLD(r) is the global value of the primary factors, VOM (i,r) is the value of the product i in the market price in the region r, pm(i,r) is the market price of the commodity i in the region r.

Equation (5) specifies the actual return rate of the primary factor i in the region r.

$$pfactorreal(i,s) = pm(i,s) - ppriv(s) \quad (5)$$

In function (5), pfactorreal (i,r) is the difference between the rate of return of the primary factor i from the growth rate CPI (Consumer Price Index), pm(i,s) is the market price of the factor i in the region s, pprive(s) is the price index for the private sector's consumption expenditure.

The function (6) calculates the percentage of change in the global price index of the primary factors.

$$VENDWWLD.pfactwld = \sum_{r \in REG} (VENDWrEG(r).pfactor(r)) \quad (6)$$

In function (6), pfactwld is the percentage of change in the global price index of the primary factors.

$$VENDWWLD = \sum_{i \in END-COMM} (VENDWrEG(r) \quad (7)$$

In function (7), VENDWREG(r), the value of the primary factors for the market price in each region, is obtained endogenously through function 8.

$$VENDWrEG = \sum_{i \in ENDw-COMM} VOM(i,r) \quad (8)$$

In the standard closure of the global trade analysis project model, qoreg and dpsave are exogenous; while pfactor and uc(r) are defined endogenously. On the other hand, the curve FE and BP are analyzed through the relationship between consumption and real exchange rate. Hence, the exogeneity of consumption and the real exchange rate in the model are essential. To apply these modifications, you also need to change the model closure; so that the transition parameters are endogenous. So, using the replacement functions, consider uc exogenous and dpsave endogenous; so that these functions enable the model to change the total savings. It also makes pfactor exogenous and qoreg endogenous so that makes it possible to change at the level of the primary factors.

The labor is one of the primary factors behind which price has been changed followed by the exogenous changes of pfactor in this study. In the general equilibrium model, demand and supply of labor are determined, respectively, by the regional firm and household. Therefore, according to equations (9) and (10), the demand and supply of this factor and employment in general are affected.

qfe(i,j,r)= -afe(i,j,r)+qva(j,r) -ESUBVA(j)*[pfe(i,j,r)-afe(i,j,r)- pva(j,r)] (9)

In Equation (9), qfe (i,j,r) are the demand for the factor i in the section j and the region r, afe(i,j,r) is the technical progress related to factor i in the section j and the region r, pva(j,r) is

the value added price of the firm in section j in the region r, pfe(i,j,r) is the price of production factor i in section j and the region r.

$$ps(i,r) = to(i,r) + pm(i,r) \quad (10)$$

In equation (10), ps(i,r) is the supply price of the primary production factor i in the region r, to(i,r) is the tax on the supply of the primary factor and pm(i,r) is the market price of the factors. With the change in regional household income, one of the ways to achieve it, is the sale of primary production factors, savings will also change. On the other hand, in the GTAP model, according to Walras law, savings and investment are equal. So, looking to change the regional household income, investment will also change. Equations (11) and (12) illustrate how the regional household income changes, following the change in the price of the primary factors of production, and the allocation of that income between private consumption expenditure, government, and savings.

$$FY(r)*fincome(r)VDEP(r) * [pcgds(r) + kb(r)] \quad (11) =$$

$$\sum_{ENDWMENT} VOM(i,r) * [pm(i,r) + qo(i,r)]$$

FY(r) is the net income from sales of the production factors in the region r, fincome(r) is the growth rate of FY. Vom(i,r) is the value of selling the factors of production to the market price, qo(i,r) is the amount of the supply of factor i In the region r, VDEP(r) is the value of depreciation of capital in the region r. kb(r) is the growth rate of the beginning capital stock in the region r and pcgds(r) is the price of capital goods.

Regional household income is distributed on the basis of a Cobb-Douglas function, between private households, government and savings. Therefore, the regional household demand system is expressed in accordance with Equation (12).

$$dpav(r) = XSHRPRIV(r) * dppriv(r) + XSHRGOV(r) * dpgov(r) + XSHRSAVE(r) * dpsave(r) \quad (12)$$

dpav(r) is the average transmission of distribution parameter in the region r, XSHRPRIV (r) is the share of private households cost in total cost (or total regional household income), XSHRGOV(r) is the share of government expenditure. XSHRSAVE(r) is the savings share, dpprive(r) is the private household consumption distribution parameter, dpgov(r) is the government consumption distribution parameter and dpsave(r) is the saving distribution parameter in the region r.

MODELING RISK

We assume that the global bank equalizes expected risk-adjusted rates of return, so that risk-adjusted rates for all regions are equal to some global average.

$$RORE(r) / RISK(r) = RORG$$

Where, in accordance with GTAP notation convention, these capitalized variables represent levels, while lower-case variables represent percentage rates of change from initial levels.

RORE(r) is a non-risk-adjusted expected rate of return, i.e. it is the expected rate of return in the absence of any default by the borrower.

RISK(r) represents the ratio of equilibrium returns in region r to the global average rate of return. For relatively high-risk countries, this ratio will be above 1, and for relatively safe countries below 1. It is important to note that this variable represents a ratio rather than a certain number of basis points – it is better called a 'risk ratio' than a 'risk premium'.

RORG does not represent a risk-free return but a weighted average of returns around the world. This formulation differs from the more familiar representation of required rate of return in a country being equal to the risk-free return plus some risk margin.

If we rewrite this as

RORE(r) = RORG * RISK(r)

Then by total differentiation and division through by RORE(r) we can obtain

rore(r) = rorg + risk(r)

where these variables are percentage changes in their levels equivalents. This is

the analogue of equation (11') in the standard GTAP model in the case where RORDELTA=1:

rore(r) = rorg + cgdslack(r)

This equation states that the percentage change in the rate of return on investment in region r is equal to the percentage change in the global rate of return plus a disequilibrium factor which is generally exogenous and set at zero in a general equilibrium closure. Normally, the cgdslack variable is only non-zero when we allow disequilibrium to exist in the market for capital goods. The main proposition of this paper is that cgdslack can be interpreted to represent a risk premium as defined above, although it was not originally designed for this purpose. In a general equilibrium closure, cgdslack is unused for any other purpose (being exogenous and unshocked), and therefore we do not disturb any other components of the model by using it in this way.

MODEL ESTIMATION

In this study, the criterion of risk spillover and its channel is investment. Given that one part of the investment comes from external sources, it can transfer the risk from the outside to the other or from part to the other. In this study, the effect of spillover risk is studied on the indicators firstly affected by risk and, secondly, these indicators can affect other variables.

AGGREGATE GTAP DATA

Data in GTAP is introduced AS 8 production factors, 57 sectors and 140 regions. In this research, the information is in the form of the 2011 Social Accounting Matrix, which uses the latest version of GTAP (www.gtap.agecon.purdue.edu/databases/v9/default.asp). The model database contains the values of all exogenous variables and parameters and the equilibrium values of the endogenous variables. Estimation of the model was done using the GEMPACK software package (Harrison and Pearson, 1994). In Table 1, details of sectors, regions, and factors of production in this paper are presented. The reason why we did not differentiate other countries in the region is that Iran is economically a small country, which is why creating investment risk in the Iranian economy would not affect other regions such as the European Union, the United States, the Middle East, etc. very much affected.

Table1: Model Details

Aggregate	Subset
Sectors	Agriculture, Oil and Gas, Industry, Services
Regions	Iran, Rest of world
production factors	Labor, Capital, Land, Natural Resources

The scenarios in this study are two scenarios of an increase of 10% and 3% of investment risk. In each of these scenarios, we will deal with the analysis of the effects of the investment risk on inflation, GDP, government expenditures, imports, exports, total investment and the welfare index quantitatively calculated using the global trade Computable General Equilibrium Model.

First scenario: 10% increase in investment risk spillover

In this scenario, we consider 10% of the imported risk based on the past trend of the Iranian economic system, which, of course, can be achieved by using the VaR9 method.

Considering the statehood of the Iranian economy and the role played by open economics in the country, government spending imports and exports has examined by economic sector. As Table 2 shows, the spillover of investment risk has had a negative impact on government spending related to agriculture, oil and gas and industry, with the largest share of agriculture, oil and gas sectors. This is due to the agricultural sector because of the alternative role for the government and contributing to the oil and gas sector. Nevertheless, the service sector inherently has not only been negatively affected, but also positive, due to sluggish changes. One of the reasons is that the activities of this sector are more applied.

Shocked, imports in agriculture, industry and services have declined. Given that about 85 percent of Iran's imports are intermediate and capital goods, as well as agricultural and industrial sectors are dependent on imports of these types of goods; therefore, due to the shrinking investment, the import volumes of these sectors due to the decrease in the ability to buy them will be reduced. However, the oil and gas sector has not only diminished, but also increased due to its oil revenues and government spending. The service sector, like the industrial and agricultural sector, has been less able to buy and, as a result, has decreased its imports.

Exports have increased in all sectors as these sectors compensate for investment-related shortages in investment through increased exports. On the other hand, the effect of investment on exports will take place over a long period. The reason why the increase in exports in the oil and gas sector is lower than in other sectors is that the oil and gas sector is a public sector and less under the influence of investment.

Table 2: The results of a 10% increase in investment risk on Government Expenditure, Imports, Exports (percent)

	Agriculture Sector	Oil and Gas Sector	Industry Sector	Service Sector
Government Expenditure	-2.15	-2.55	-1.92	0.06
Imports	-3.99	0.79	-5.53	-5.57
Exports	10.17	1.34	11.43	9.58

Resource: Researcher finding

As shown in Table 3, with a 10% investment risk shock, inflation dropped to 2.02%. Given the indirect relationship between risk and investment, the risk involved will reduce the investment that stimulates the demand side of the economy, thereby affecting the demand side of the economy and therefore has a negative impact on inflation.

GDP declined by 0.34%. The reason is that in the Iranian economy, because of the government's economy and the high share of the state in the economy, production is more based on sectors that are state-owned. Therefore, the overwhelming impact of the risk of investment by the nongovernmental sector on production is diminishing, but this decline is not very significant due to the higher share of the government.

The total investment dropped to 7.76 percent, which is quite natural because there is always a significant and indirect relationship between investment risk and amount of

[9] Value at Risk

investment. Reducing investment is more likely to decrease other indicators, and the reason is that the impact of spillover risks directly on investment itself. Therefore, considering that the impact of spillover of investment risk on the investment is negative and also negatively affects the main sectors of the economy, including the agricultural sector, the welfare index also decreases. As investment through government expenditures as well as imports has negative effects on agricultural and industrial sectors and, on the other hand, much of the population is dependent on these two economic areas, and the welfare index is directly related to people's lives; therefore, the total welfare decreased 757.14 million dollars.

Table 3: The results of a 10% increase in investment risk on Inflation, GDP, Total Investment (percent) And Welfare Index (million dollar)

	Inflation	GDP	Investment	Welfare
Iran	-2.02	-0.34	-7.76	-757.14
Rest of world	0.01	0	0.04	515.35

Resource: Researcher finding

Second scenario: 3% increase in investment risk spillover

In this scenario, we reduced the risk from 10 to 3 percent to know if the sensitivity of the research indicators to degree of risk change is significant.

As shown in Tables 4 and 5, sectors firstly show a large response in the same direction, and secondly, determine how much modulation policies in the area of investment risk can affect making decisions on the effect of investing in economic sectors. Therefore, adjusting the risk index can substantially modulate the sectors of GDP, government spending, inflation, imports, exports, total investment, and welfare.

Table 4: The results of a 3% increase in investment risk on Government Expenditure, Imports, Exports (percent)

	Agriculture Sector	Oil and Gas Sector	Industry Sector	Service Sector
Government Expenditure	-0.69	-0.81	-0.61	0.01
Imports	-1.28	0.24	-1.75	-1.79
Exports	3.11	0.44	3.47	2.9

Resource: Researcher finding

Table 5. The results of a 3% increase in investment risk on Inflation, GDP, Total Investment(percent) And Welfare Index(million dollar)

	Inflation	GDP	Investment	Welfare
Iran	-0.64	-0.11	-2.42	-243.48
Rest of world	0	0	0.01	167.54

Resource: Researcher finding

CONCLUSION

As regards today's world moves towards to open more economy doors and the process of globalization occurs with greater acceleration, that one of the factors resulted from the process of globalization on the economies, that is discussing risk spillover. The risks spill from different regions of the world to a country or a region. This research was looking for the answer to these questions; that 1- Do the investment risk spillover influence macro-economic indexes in Iran? And, 2- How and how much is the impact of risk spillover on the indexes of inflation, production, government spending, import, export, total investment, and welfare index?

It was done the proper estimated to answer the two questions of the research, which the results have shown that the existence of the original economic variables of the investment risk

have influenced the cases such as the inflation, gross domestic product, government spending, import, export, total investment, and the welfare index. Due to the existence of the alternative role between the government spending and the investment, so it has negatively affected different economic sectors by creation of investment risk. It reduces the inflation and grass domestic production and because the total investment is directly under the influence of investment risks, it has reduced greatly.

Welfare, which is a function of income and the prices; by reducing the amount of investment because of the risk, and followed by reducing the level of real prices and the reduction of real income led to decrease the income of private households and this led to reduced private consumption by them and so, the total welfare is reduced. With arisen shock, the import of all economic sectors except for the rock oil and gas sector have been reduced, because this section is completely state-owned. In return, the export has increased in all sectors. This study, in order to measure the sensitivity of indexes towards the risk variable has studied the impact of risk spillover on the desired variables of the research in two scenarios of 3 and 10 percent. It has concluded that, firstly, the main indexes of the economy react towards the change of the risk extent, and secondly, their sensitivity is remarkable. So, if in the economic system of Iran, the risk extent be managed, then the macroeconomic indexes will show notable reaction towards improving.

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ORIGINAL RESEARCH PAPERS

Identifying and structuring the factors affecting sustainable banking resources with using interpretive structural modeling

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ABSTRACT

Considering the recent developments in banking system, banks are able to increase their power of partnership in different areas of manufacturing, industrial, agricultural and else by attracting more resource approach, and creating competitive advantage, which result in expansion and increase of earnings or benefits of the bank as well as creating competitive advantage. Considering the limitation on resources and time, the ability to jointly invest in all of the influential factors on creating sustainable banking resources cannot be achieved. The main aim of the present research is to provide a model of the influential factors on creating sustainable banking resources so with usage of which, managers can identify the factors that have the highest influence on the others and plan on the them. For this purpose 10 influencing factors on creating sustainable banking resources such as financial risks, amount and quality of equity, amount of assets, etc. by taking into account the relevant studies as well as benefiting from specialists opinions are chosen. Then the influential structure of these factors with usage of interpretive structural modeling method is drawn. The obtained results show that management of equities and human resources, are the most influential factors on providing sustainable banking resources.

KEY WORDS*: Sustainable Banking Resources, Equity & Asset Management, Interpretive Structural Modeling*
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INTRODUCTION

The extremely heavy responsibility of banking system on economy based on market is not hidden from the public eye and is continuously one of the important parts of country's economy which directly impacts on the growth or depression of economic structure with its activity. Because the available assets in banks are the main resources for purchasing products and services, also given loans are the resources for creating credit for all of the economic units such as families, jobs, companies, and government. Therefore, banks' better activities and usage of practical marketing tools for the purpose of fulfilling their goals such as return on the assets and equipping the same will have an impact on different economic activities and generally the whole of the economic situation (Safaeian & Venus, 2005). In banking system, implementing the affairs as fast as possible and not wasting any time are considered as the most important successful elements in banking competition, and customers as the main determining parts of this competition value the speed and improved technology to a large extent. Banking these days require innovative methods, effective customer care, providing practical technology and proper customer requirement fulfillment and services which shows that each bank that is more successful in these affairs will be also successful in attracting more resources in the competitive market and consequently permanent durability and therefore more returns (Jafarpour & Amadeh, 2009). Usually, attracting financial resources are of high priority in banking activities, because success in this field can be effective on being successful in other fields and areas.

Attracting financial resources in each bank depends on both internal and external affairs, therefore knowing these factors and the amount of influence that each of them has in order to succeed in this area is very much fundamental and important. In the whole world nowadays attracting financial resources is so important and vital to the banks that there has been a creation of great competition amongst them. A very obvious and main witness to this issue is providing updated and innovative services for achieving trust and attention of people to invest in banks. Therefore, in the recent few decades, new grounds are made for attracting more banking resources and providing better and faster services to the customers. As a result it's imperative that we have a better and more practical use of these resources by investigating different influential factors on attracting banking resources (Rahnamai et al., 2012). The implemented surveys show that banks invest their own investments on buildings and skyscrapers as well as commercial and luxury complexes via their own established companies that act as brokers and middle companies. In the other words, they act by choice in housing sector and transfer part of their investment to the trading sector. International relations between countries have developed to a large scale that use of one unified word should be taken into account as a world Stock Exchange for the whole exchanges around the world. These worldwide markets are webbed together and are affected by each other. It's obvious that the country that has more flexible and logical rules and regulations in terms of foreign investment has better chance and attraction for a foreign investors. Development of sustainable banking resources with consideration of the main role of the banks on economic expansion has a special importance. Banks play a key role in decreasing inflation, economic expansion with usage of providing financial and credential aids, playing the middle role in communicating amongst economic agencies both internal and foreign, exit from depression by expanding small and middle sized agencies and other issues. As a result in order to expand sustainable banking resources, there is a need to identify the influential factors on it to plan and improve these factors and provoke them so to achieve better sustainable banking resources. Considering the time, ability, and expenses of each organ, it cannot be expected that managers and system planners can have all of the influential factors under control at the same time. In any case there are a lot of limitations that managers of organizations face. Considering the recent changes in banking system, The bank of City Bank has drawn the attention of high experts and managers by using the resource attracting approach as well as making the benefit of competition in this bank, because attracting banking resources

results in partnership of the bank in different areas of manufacturing, industrial, agricultural and else and this issue will result in expansion of the bank as well as profit making and also making the benefit of competition. Therefore the purpose of this research is to identify the influential factors on attracting sustainable resources at City Bank branches and then providing the effective module of these factors in order to improve the decision making conditions of the managers of the bank by using the interpretive structural modeling method.

LITERATURE REVIEW

CONCEPTS & THEORIES

BANKING SYSTEM

Monetary and banking system together count as one of the main pillars of governmental interference in economic affairs because of its role in determining monetary issues on economy and importance of banking organizations in managing the amounts. Monetary and banking pillars along with budget and planning pillars provide an important economic power in the possession of government, which in accordance to the government nature; can influence the society's whole economy. Money as a tool for evaluating the value of commodity and services, a tool for payments, trading as well as being a tool for saving and accumulating the values is counted as an important tool for economy development (Masoud & Ashraf, 2012).

SUSTAINABLE BANKING RESOURCES

In a not very far past the major part of banks' earnings were made as a result of paid facilitations but in the past recent years more than 50 percent of European countries as well as USA's income of the banks were made from banking services and fees. Banks have been able to reduce their earnings' dependency on interest rates which comes along with high levels of fluctuations by, successfully using this method and on the other hand reduced interest rates on facilitations and also reduced gap between receiving and paying interest rates or marginal profits to less than 2 percent. These days most of the services such as money transfer, getting money out of ATM machines, cheque deposit and foreign exchange services are subject to banking fees. This change is also favored and satisfactory by bank customers because even if investing in banks is less than a certain number then is subject to fees and for those who seldom use cheque as a payment method have less cost. Instead they get paid the profit for current investment. Consequently, banks for the purpose of expanding their activities look for long lasting resources for themselves in order to benefit from competition advantages. Meaning that like interest-free investment which was once a suitable resource for banking activities and now is neither suitable nor sustainable, banks should take other measures and changes into account for attracting resources (Masoud & Ashraf, 2012). In the following there will be more explanation on each sustainable banking resource.

EQUITY MANAGEMENT

Equity management is referred to a collection of system and methodical process for keeping, using, and expansion of bank equity. Management of equity - debt is an effort to match equities and debts in relevance to credits and their sensitivity towards the interest rates and fundamentally risks of liquidity and interest rates that are resulted from this non-compliance of the two. In this framework generally there will be a combination of engineering methods with

experience and theoretical economy with completion of which there will be a creation of a tool that will be used in harmony and with logical process for future decisions. In the other words, equity management specifies a framework for designing and delivering long or short term plans of a group. Simply the aim of this act is to increase benefits and profits of a group in order to advance its defined purposes on the basis of available facilities and resources. This method combines the economic evaluation on the levels of projects' investment management, network and systematic. Achieved information of this method helps the decision making in future profitable investments of the group (Karimzadeh, 2013).

HUMAN RESOURCES

Expansion of human resources in a bank means creation of ideas and thoughts by the employees of that organization and the new meaning of it requires the employees to equip with qualities and skills in banks so that they can provide their abilities, energy, expertise and their thought for the purpose of fulfilling organizations mission with total enthusiasm and continually creating new values of both intellectual and qualitative.

In new concept, human resource development in banks has the following components;

- Creating scientific awareness and increasing the knowledge of employees.
- Producing scientific and balanced behavior in employees.
- Creating added value as a quality in employees.
- Increasing abilities in employees.
- Development of skill of implementing jobs.
- Updating employee information.
- Ability to solve in a scientific way.
- Correct way of implementing jobs.
- Rational decision making.
- Harmonic character growth in employees.
- Ability to combine information and creating new groups (Davami & Haghighi, 2012), (Khodadadi et al., 2011).

EQUITY QUALITY

Since banks have to make decisions for the purpose of allocating the investments made available at their disposal, the decision forms their level of credit risk and exceptions. Therefore, with criteria such as checking the banks equity quality which include loans and bonds of the banks we can achieve a dimension of these aimed assessments. With consideration of the equity quality importance, presentation of the following categories which are also the categories of United States' bank equity can be provided;

- Capacity; Loaners ability of payment.
- Deposit; Equity quality of the loan bankroll.
- Conditions: Situation and conditions on which the necessity for loan is created.
- Asset: Difference between equity value of the loaners and their debts.
- Nature: Tendency of the loaners to repay the loans, which are evaluated on the basis of their previous payments of loans and credit. (Paltayian et al., 2012).

FINANCIAL RISKS

Financial risks can affect credit and value of the banks to a large scale. For the purpose of decreasing the financial risks, banks should use modern methods of managing financial risks (Mirtabar Darzi, 2011).

OPERATIONAL PRODUCTIVITY

Operational productivity of banks is possible via operational budget allocating, improvement of working methods as well as internal procedures. Also one of the most important duties of organizations high management and human resources is to determine the duties of each section for the purpose of getting to the main aim of the organization. In determination of these duties, the position of the organization and human resources and the process of each of these units and the sub-sectors of the organization are specified and the design of the strategic plan is drawn. With usage of the strategic plan drawing, the possibility to check and prioritizing the strategic aims with each other, duties of each employee, obstacles, evaluation and measure as well as feedback of the mentioned process can be prepared (Masoud & Ashraf, 2012).

EQUITY AMOUNT

The amount of equity in increasing assets and successful implementation of bank's plans has a direct effect. For this purpose the bank should try to increase the foreign and internal equities (Davami & Haghighi, 2012).

ASSET AMOUNT

The experts believe that one of the necessary conditions for a healthy performance and guarantee on sustainable operations of banks or credit institutions is having appropriate assets. Asset provides the possibility to the bank to be properly protected and covered when faced with possible and unpredicted losses and also protect the investors in case of possible losses and consequently increase the public trust towards the bank (Karimzadeh, 2013).

Although in accordance to the beliefs of banking system activists, banks increase of assets will result in improvement of working and trading environment as well as economic conditions, also will strengthen the manufacturing and industrial sectors of the country and will increase the production and decrease unemployment along with it, but it seems in conditions that any increase of assets that result in irregular fluctuation rates, compensation of liquidity shortage of banks are more logical with consideration of the following ways. (Karimzadeh, 2013).

LIQUIDITY

Nowadays, liquidity management is one of the biggest challenges that the banking system is facing. The main reason for this challenge is that majority of banking resources are provided from short term deposits. Additionally, vested facilitations of banks are spent on investing in equities that have lower degree of liquiditation. For better and right management of liquidity, it's imperative that proper tools and effective factors for this purpose are rightfully identified. One of the most important influential factors on bank's liquidity is the equity position and bank's debts. On the other hand, management of equity-debt is one of the key factors in expressing the financial stability of banking and economy (Kamarolzaman & Madun, 2013).

DEPOSITS

Increase in bank deposits can result in increase of banks equities. There are many solutions for increasing bank deposits which include effective advertising, providing financial aids, leisure services and from distance, providing modern and new banking services (Davami & Haghighi, 2012).

ABSORBING RATE OF FINANCIAL LOSSES

Absorbing financial losses will give the assurance to the customers and account owners so that in case the financial risks occur, the possibility of absorbing these losses by banks is available. The increase of absorbing rate of financial losses via substitute investments and advertisement of the same in order to increase the banking deposits can be beneficial (Masoud & Ashraf, 2012).

Table 1: Sustainable Banking Resources

Identified Factors	Resource
Financial Risks	Mirtabar Darzi, 2011; Masoud & Ashraf, 2012
Equity Amount	Davami & Haghighi, 2012; Masoud & Ashraf, 2012
Absorbing Rate of Financial Losses	Masoud & Ashraf, 2012; Karimzadeh, 2013
Asset Amount	Masoud & Ashraf, 2012; Karimzadeh, 2013
Operational Productivity	Masoud & Ashraf, 2012; Karimzadeh, 2013
Equity Quality	Masoud & Ashraf, 2012; Karimzadeh, 2013
Management of Equities	Masoud & Ashraf, 2012; Karimzadeh, 2013
Liquidity	Masoud & Ashraf, 2012; Kamarulzaman & Madun, 2013
Deposits	Davami & Haghighi, 2012; Masoud & Ashraf, 2012
Human resources	Khodadai et al., 2011; Davami & Haghighi, 2012; Masoud & Ashraf, 2012

RESEARCH BACKGROUND

Karimzadeh (2013) in an article "Surveying the influential factors on plenishing banking resources from the Bank Refah branches of Isfahan managerial point of view" expressed that this study will consider the effective factors on providing resources on the basis of importance and priority at branches of Refah Banks of Isfahan. The achieved results of this research indicated that all of the five considered factors in research were effective in plenishing resources at Refah bank branches were more than medium limit. Service, communication and human resource factors, physical factors, financial factors and organizations dependency factors respectively were the influential factors for attracting resources.

Rahnamai et al., (2012) in an article called "Surveying the influential factors on plenishing banking resources from the Bank Melli branches of Mazandaran province managerial point of view" expressed that this study will consider the effective factors on providing resources on the basis of importance and priority at branches of Melli Bank at Mazandaran province branches. The achieved results of this research indicated that all of the five considered factors in research were effective in plenishing resources at Melli bank branches more than medium.

Masoud & Ashraf (2012) in their study concentrated on the effective factors on profitability in Islamic banks. They expressed that some of the effective sources on creating sustainable banking resources are financial risks, equity amount, absorbing rate of financial losses, amount of assets, operational productivity, equity quality, management of equities, liquidity, deposits and human resources. They also surveyed the Marco-economic components such as monetary politics, liquidity, etc. and their effect on Islamic banks' profit making. Results of their research pointed to the effect of mentioned sources on creating sustainable banking resources.

RESEARCH METHOD

In this research for the reason and nature of the subject and in compliance with research predictions, the use of expressional-geodesic research method is taken into account. Considering that one of the aims of the research is to use the found results for solving the current subject issues in banking industry, then this is an applicable research and on the other hand has a fieldwork nature, meaning that major part of information are gathered by managers and experts in a form of questionnaire. Therefore, it can be summed up that the method of this research is of an expressional-geodesic and positioned in framework of applicable research.

EXPERT POPULATION

For the purpose of determining the level and prioritizing the identified factors, there has been usage of expert opinions of 25 of the professionals and specialists in the field of banking and financing and also university professors. Because of the limitations in expert population, the usage of all the expert opinions was considered and in fact there was no sampling. The experts of this group include 18 men and 7 women, whom are actively working with positions at Tehran university science board and the authorities of City Bank of Qom. Amongst them, 6 have PhD in different fields, 13 have Master Degree and other have University Degree and with high levels of experience in banking services.

METHOD AND TOOL FOR COLLECTING INFORMATION AND DATA

In order to collect and analyze data and information of this research, there's been usage of various methods and tools which in the following will be divided in relevance to different needs of the research model.

Library studies to identify the effective factors on sustainable banking resources.

The interpretive structural modeling questionnaire for the purpose of checking the effectiveness level of each factor. This questionnaire is special for interpretive structural modeling method that in the following will be looking at its design method. In this questionnaire, coupling comparison between 2 variables or factors will be specified and the method of their effect on the basis of 4 possible forms will be determined (Azar et al., 2013).

ANALYSIS OF DATA

For the purpose of dividing and analyzing the gathered data, the usage of interpretive structural modeling (ISM) is taken into consideration for which we will continue to provide the method in the following:

Firstly, the main effective factors on creating sustainable banking resources at City Bank branches in Qom which are extracted from articles, studies, and examination of expert opinions. Then by using the matrix questionnaire of interpretive structural technique which will be spread amongst experts, coupling comparison between each couple factors will be done and eventually by using this technique sequence and also leveling of these factors to be done. In the end also by using division and analysis (MICMAC) the power of guiding and dependency of the factors will be checked.

ISM technique and achieving the internal relations and priority of elements in a system should be process covered. Primary stages and general framework of this work is in accordance to the picture. Now with using this picture and checking the subject literature in this regard, we can name the stages of implementing the ISM technique as follows (Azar et al., 2013).

ENTERING VARIABLES

Interpretive structural modeling starts by identifying the variables that are related to the subject matter. In the present research we are looking to find the relation between the effective factors on creating sustainable banking resources at City Bank branches in Qom by using the interpretive structural modeling, therefore the first step should be to identify these factors via subject literature.

ACHIEVING INTERNAL RELATIONS OF MATRIX STRUCTURE

This matrix is a matrix with variable dimensions, variables of which will be expressed respectively on the first row and column. Then relations between coupling variables will be specified with symbols. To determine the type of relations we can use the expert opinions whom can be managers or experts of the considered industry. The general picture of this matrix is as the following:

Variables	1	2	...	M
1				
2				
...				
M				

To determine the type of relation the following symbols can be used;
V: Variable i (Row) helps to reach to variable j (Column).
A: Variable j (Row) helps to reach to variable i (Column).
X: Variables i & j help to reach each other (Two way relations).
O: Variables i & j have no relations with each other.

ACHIEVING ACCESSING MATRIX

By converting symbols of matrix relation (SSIM) to numbers of zero and one considering the following rules, accessing matrix can be reached. These regulations are as follows:

A) If square (i,j) in matrix (SSIM) got V symbol then related square in accessing matrix will get number 1 and the opposite square of it (j,i) will get the number 0.

B) If square (i,j) in matrix (SSIM) got A symbol then related square in accessing matrix will get number 0 and the opposite square of it (j,i) will get the number 1.

C) If square (i,j) in matrix (SSIM) got X symbol then related square in accessing matrix will get number 1 and the opposite square of it (j,i) will get the number 1.

D) If square (i,j) in matrix (SSIM) got O symbol then related square in accessing matrix will get number 0 and the opposite square of it (j,i) will get the number 0.

ADJUSTING ACCESSING MATRIX

After the first accessing matrix is achieved then the internal adjustment should be established. For example if variable 1 results in variable 2 and variable 2 results in variable 3 then variable 1 should result in variable 3 and if such situation was not established in accessing matrix then the corrected matrix and the missed relations should be substituted.

DETERMINATION OF LEVEL AND PRIORITY OF VARIABLES

In order to determine the level and priority of variables, collection of accessibles and collection of pre-requirements for each variable will be determined. Accessible collection of each variable consists of variables which can be reached via this variable and pre-requirement collection consists of variables via which can reach this variable. This act can be done by using accessing matrix. After determination of accessible collection and pre-requirement for each variable, the joint elements of both collections for each variable will be identified. The result of this action will be as the following table:

Elements	Accessing Collection	Pre-Requirement Collection	Overlapping elements	Level
1				
2				
…				
N				

After determining collections of accessing and pre-requirement and joint elements, it is time to determine the level of variables (Elements). In the first table, the variable has the highest level that it's accessing collection and joint elements are equal. After determination of this variable or variables, they will be eliminated from the table and with the rest of the variables we will form another table. In the second table also like the first table we will specify the second level variable and we will continue these actions until the level of all the variables are determined.

DIAGRAM DRAWING

After determining levels of variables, its time to draw the diagram of relations and levels of variables. Primarily on this basis of variable levels, we will draw them on the basis of priority and from top to bottom on circles and then on the basis of compatible accessible matrix, the relations between variables and the pointing line will be specified.

DIVISION & ANALYSIS (MICMAC)

This model will address the variables analysis on the basis of their influential power and dependency. Thus, the amount of power will be placed on the horizontal diagram and the amount of dependency will be placed on the vertical diagram and the amount of power and influential dependency appear on the diagram like coordinates (Azar et al., 2013). Then on the basis of influential power and dependency, 4 areas will be made on diagram. The place where both effect and dependency are low, the place where both effect and dependency are high, the place that effect is low but dependency is high, and eventually the place where effect is high and dependency is low. Therefore, each variable is placed in one area and on the basis that, where in which area it's present, a different approach should be made on that variable. The first group consists of autonomous variables (Area 1) which have weak power of influence and dependency. These variables to some extent are separate from other variables and have lesser relations. The second group consists of dependent variables (Area 2) which have weaker influential power but high levels of dependency. The third group is the linked variables which have high levels of influential power and dependency. In fact any action on these variables will result in changes on the other variables. The fourth group is the independents (Area 4). These variables have high levels of influential power and low dependency. The variables that have high levels of influential power are expressly called Key Variables. It is obvious that these variables are placed in either groups of independent variables or linked. By adding the inputs of "1" on each row and column, the influential power and the amount of dependency will be achieved. On this basis the diagram of influential power-dependency is drawn (Azar et al., 2013).

RESEARCH FINDINGS

After the 10 fundamental effective factors on development of sustainable banking resources were identified, the interpretive structural modeling questionnaire was handed to experts and they were requested to specify the relation between these factors. In accordance to experts' definition and for specifying the relation between them, four options were made available to them. First was that the factor A will have an effect on factor B. Second was that the factor B would have an effect on factor A. Thirdly was that both factors would have an effect on each other and fourthly was that there was no relation between the two factors. A request was made to each expert to compare factors by coupling. If the row factor is a pre-requirement for column factor and this relation is shown by V. If the column factor is a pre-requirement for row factor and this relation is shown by A. If both factors need each other, this relation would be shown by X and if they don't need each other than the relation would be shown by O. Experts then considering their knowledge and experience specified the relations between the influential factors on creating development of sustainable banking resources.

RESULTS OF OPINION POLLING FROM EXPERTS ON VARIABLE RELATIONS

After collecting all of the questionnaires, expert opinions were gathered. Totality of opinions was done on the grounds of frequency. For this reason the numbers of 1 to 4 were given to each of the 4 relations. Number 1 related to the one without relation (O). Number 2 relates to mutual needs and joint relations (X). Number 3 related to the relation of column to row (A) and number 4 related to the relation of row and column (V). Then averaging was done. If the resulted number was between 1 and 2 without relation, between 2 and 3 mutual needs, between 3 and 4 relation of column on row, and when between 4 and 5 then relation of row on column was considered. Eventually, result of opinions was calculated which is shown on the table 2.

FORMING THE PRIMARY AND FINAL ACCESSING MATRIX

In accordance to provided explanations, in table 3 the relation between 1 and 6 is specified by V. V means that row is a pre-requirement of column. Meaning that factor number 1 is a pre-requirement to factor number 6 and effects on it. For this purpose in the eighth square of first row the number 1 and on the first square of sixth row the number 0 are placed. Also relation between 1 and 9 is specified by letter O, meaning that there is no relation between the two factors and none are the pre-requirements of the other. Therefore, the number 0 should be placed in the ninth square of first row and first square of ninth row. In the following table all of the specified relations are entered by number.

After the primary matrix is achieved, its internal compatibility should be maintained. For example if variable 1 results in variable 2 and variable 2 results is variable 3 then its imperative that variable 1 results in variable 3 and if in the final accessing matrix of this relation was not maintained, then the corrected matrix and the missed relations should be substituted. In the final matrix the amendments are shown by 1*. 1 is pre-requirement of 4 and 4 is pre-requirement of 6. So therefore 1 should surely be pre-requirement to 6. However, in the previous table and in the sixth square of first row number 0 is inserted. In the next table this relation is amended. Meaning that instead of number 0, number 1* is inserted. This relation is calculated for all of the factors separately and anywhere there was a need for correction, this amendment was done manually by hand (table 4).

Table 2: Result of Opinion Poll on Variables Relations

	10	9	8	7	6	5	4	3	2	1
1	O	V	V	A	A	V	V	V	V	
2	V	V	V	A	O	A	V	O		
3	O	V	X	A	A	A	A			
4	V	V	V	A	V	O				
5	A	V	V	A	V					
6	O	V	V	A						
7	A	V	V							
8	O	X								
9	O									
10										

Table 3: Formation of the Accessing Matrix

	1	2	3	4	5	6	7	8	9	10
1	1	1	1	1	1	0	0	1	1	0
2	0	1	0	1	0	0	0	1	1	1
3	0	0	1	0	0	0	0	1	1	0
4	0	0	1	1	0	1	0	1	1	1
5	0	1	1	0	1	1	0	1	1	0
6	1	0	1	0	0	1	0	1	1	0
7	1	1	1	1	1	1	1	1	1	0
8	0	0	1	0	0	0	0	1	1	0
9	0	0	0	0	0	0	0	1	1	0
10	0	0	0	0	1	0	1	0	0	1

Table 4: Formation of Final Accessing Matrix

	1	2	3	4	5	6	7	8	9	10	Penetration
1	1	1	1	1	1	*1	0	1	1	*1	9
2	0	1	*1	1	0	*1	0	1	1	1	7
3	0	0	1	0	0	0	0	1	1	0	3
4	*1	0	1	1	*1	1	*1	1	1	1	9
5	*1	1	1	*1	1	1	0	1	1	*1	9
6	1	*1	1	*1	*1	1	0	1	1	0	8
7	1	1	1	1	1	1	1	1	1	*1	10
8	0	0	1	0	0	0	0	1	1	0	3
9	0	0	*1	0	0	0	0	1	1	0	3
10	*1	*1	*1	*1	1	*1	1	*1	*1	1	10
Dependence	6	6	10	7	6	7	3	10	10	6	

DRAWING MODEL AND DIAGRAM

After determination of levels and assignment of influential factors, the final research model is drawn as below.

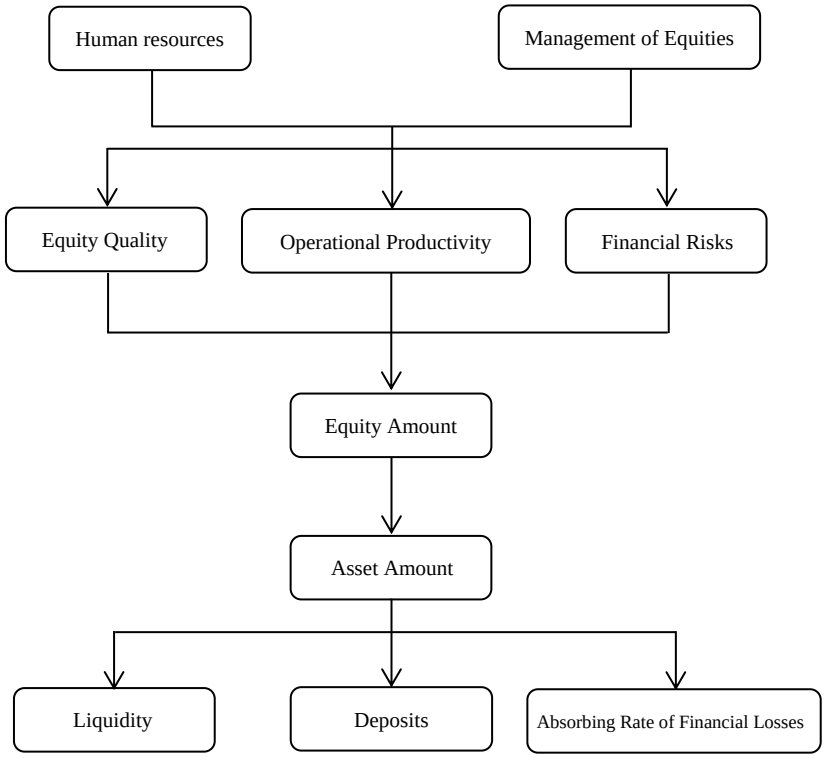

Figure 1: Final five dimensional model of influential factors on creating development of sustainable banking resources

MICMAC DIAGRAM

The aim of analyzing MICMAC is to recognize and analyze the influential power and dependency between factors. Factors are divided into 4 categories depending on their influential power and dependency. The first category includes independent factors which have weak influential power and dependency. These factors are rather un-attached to the system and have weak and low relations with the system. Dependant factors are the second category which have low influential power but high dependency. Third category is the attached factors which have high influential power as well as dependency. These factors are unsustainable because any alteration in them can affect the system and in the end outcome of the system can also change these factors again. Fourth category includes independent factors which have strong influential power but weak dependency.

After the 6 surfaced model is defined, the diagram of influential power-dependency is drawn as per figure 2;

DESCRIPTION OF AREAS IN DIAGRAM

1. Autonomous Zone

Criteria that possess weak influential power and dependency. These variables almost detach from the model, because they have weak connections to the model. Amongst the surveyed factors, there is no factor placed in this area.

2. Dependent Zone

These are variables which have weak influential power but strong dependency. These dimensions in general consist of factors for creation of which, a lot of factors are interfered and they themselves can seldom pave grounds for other variables.

Liquidity, deposits, and the absorbing rate of financial losses are placed in this area. These three factors are also placed at the lowest level of effectiveness. Meaning that there are a lot of factors priory required for occurrence of these three factors and these factors themselves have less effect on the other factors.

Figure 2: MICMAC Diagram

3. Linkage Zone

Variables that have high influential power and dependency are placed in this area. Variables that are put in this area are not sustainable. Any change that is done on them, both on them and other variables has direct affect. Most of the factors meaning 6 factors are placed in this area. By looking at this model can understand that these factors are placed in the middle of the model. The available factors on these levels can both be affected or influenced. Both the previous level of factors are pre-requirements to this level as well as these factors themselves that are pre-requirements for occurrence of next level. Therefore the influential power on the next levels and dependency on previous levels in these factors are high. Of course the human resources factor is also amongst them which is placed on the first level of model and it's influence is equal to 10 but its dependency is also equal to 6.

4- Independent Zone

Factors that have high influential power but low dependency are placed in this area. These factors along with linked factors are key variables that form the foundation of the model and for

the system to start working these issues have to be paid attention to in the first place (Attri et al., 2013). The equity management factor is the only one in this area. The factor that is present on the first level and is also a pre-requirement for occurrence of other factors. This factor has the highest influential power amongst other factors and should be considered as the most important factor in the model, occurrence of which can have high affect in occurrence of other factors.

CONCLUSIONS AND DISCUSSIONS

Development of sustainable banking resources has special importance considering the key role of banks in expansion of economy. Banks also play and have a key role in reduction of inflation, economy development with usage of providing financial and credential aids, middle party role or brokers in establishing communication with domestic and foreign economic agencies, exit from depression by development of small and middle sized agencies and other issues. Thus in order to develop sustainable banking resources it is necessary to identify the effective factors on it so by planning to improve those factors and provoking them, improved sustainable banking factors can be achieved. Considering time, ability, and expenses of each organization, we cannot expect that managers and planners at the same time control all the influential factors. In any case there are many limitations that the managers of organizations face. For this purpose, a list of most important and influential factors were identified so the manager by holding this list can plan for the most important an influential factors and therefore with consideration of available limits in the system, can achieve the best result. In this respect and for better understanding of what factors have explanation effects on creation of sustainable banking resources and how their relations to each other are, different studies were done and benefits were achieved from opinions of experts and specialists. Also a 5 surfaced model was drawn which gave the possibility to the bank managers to amongst the surveyed and checked factors, they identify the most effective factors and in order to improve their condition, they employ some applications. Also in continuation some of the researched practical suggestions were given to managers and authorities;

For the purpose of improving equity management in banks, system of equity management can be used.

Steps of establishment and exploitation of the equity management system include:

1- Production of base for data and information of equities:

Before managing the equities, there is a need for awareness of all of the related information on equities.

2-Prioritization of equities;

Since normally the budget of an equity management system is limited, equities should be specified with consideration of their exploiting importance and storing, then and in accordance to that priority of source allocation.

3-Developmentof equity management plan;

In development of equity management plan, the annual storing expenditure of equities will be estimated.

4- Implementation of equity management plan;

After development of equity management plan, the equity management plan should be exploited and implemented in a processing form and by using database and information of equities and the required technology.

5-Review and revision in equity management plan;

While exploiting the equity management system, the operation and possible faults of the system will be observed and new information will be emerged which can be used for improvement of the system operation.

Solutions for development of human resources in banks:

- Educating Personnel:

Continuous training and benefiting from participation of individuals in organization has direct connection with training and flourishing the talents of personnel and can play a general role in expansion of human resources. Using different methods of training like training while working, distance training, participation in educational courses, seminars and conferences, using educational packages and else all can be effective.

- Use of Information Technology (IT):

These days providing the necessary knowledge, altering and directing the same in human resources with usage of IT is being done simply and develops personnel of an organization and society in different dimensions.

Quality of equities in a bank had direct relations with their financial operations. Facilitation's value depends on the value of collaterals' liquidity, whereas the value of investments depends on the market value. It is expected from the bank to use sustainable equity in its portfolio and consider time managed plan in order to reduce the value of its equities and appropriate development to compensate its value.

Modern methods of managing financial risks are identified as 4 risks:

- Market Risks (Profit Amount, Shares, and Commodity Prices & …).
- Credential Risks (Repayment of Loans, Profit Fluctuations).
- Operational Risks (Office Corruption, System Dis-functionality & …).
- Tenure Risks (Rules & Regulations).

Considering each one of created categories and bank situation, the risks will be identified and the management of financial risks will be directed in a way of solving them. This issue is fortified by bank consultants.

Methods of compensating bank's liquidity.

1. Fast application of banks to sell their fixed assets and allocating these assets and equities in production of country.

2. Retrieval of delayed lending, specially the large amount of it which is blocked by the hands of profiteers.

3. Necessity to amend structures in the process of decision making for allocation of loans and granting aids and facilities to production sector in line with regulations of retrieval of delayed lending.

Increase of bank deposits can result in increase of bank equities. There are different solutions for increasing bank deposits such as effective advertisement, providing financial aids, leisure services, and from distance, providing modern banking etc.

Increase of absorbing rate of financial losses by investment substitution and advertising the same to increase the amount of bank deposits can be very much beneficial.

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SCIENTIFIC REVIEW

Features of cash flow compared to profit

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ABSTRACT

Taking into account modern business circumstances, it is easy to conclude that money represents the most significant and the most deficient of goods. One of the most important conditions for such a situation, among other things, is the irresponsibility of numerous business organization leaders. Due to a high degree of competitiveness and the globalization of the modern market, each business segment must be thoroughly planned. The problem of liquidity is one of the most modern issues that modern economic organizations encounter. The starting point for solving a large number of organizational-business problems are the financial statements of the organization, in the forms of a balance sheet, an income statement and a cash flow statement. The topic of this paper is the presenting of a real economic situation in which a business organization realizes, at the same time, profit but also negative cash flows. The necessary and essential roots to address this disparity are the proper planning of operations. It is necessary to apply some of the basic balance rules of financing that are reflected in the matching of fund maturity and funding sources. It is necessary to finance short-term funds exclusively from short-term sources. Otherwise, the liquidity of the organization can be seriously disrupted.

KEY WORDS: *income statement, profit, cash flow, income, expenses, maturity, effectiveness, globalization*

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INTRODUCTION

In modern business conditions, each company has at its disposal a large number of data and reports. Some are designed to regulate legal obligations, while others are the product of management information needs used to make management decisions. The cash flow statement and the income statement represent one of the basic financial statements, the composition of which is determined by the legal provisions and the International Accounting Standards. Simply speaking, the cash flow statement represents the inflow and outflow of cash and cash equivalents. On the other hand, the income statement is a financial statement showing the income and expenses of a company in order to determine the operating results (realized profit or loss) over a specific period of time. The content of the profit and loss account, naturally, consists of revenues and expenditures, with a particular emphasis on their structure.

Apparently, these are similar indicators, but the financial statements have largely different meanings. Taking into account the fact that the accounting principle applies in economic conditions and not the collection, there is a certain level of mismatch between the income and the inflow of money, on the one hand, as well as the expenditure and the cash outflow on the other.

INCOME STATEMENT

The income statement represents a two-sided review of revenue and expenditure for a specific accounting period, and most often it relates to one business year. The information that is the main product of the profit and loss account is a financial result, which may be positive or negative. A positive financial result, profit or profit arises in a situation where the sum of revenues is higher than the sum of expenditures of a business organization. A negative financial result, or loss, arises in the situation where the expenditures are higher than the revenues.

To a large extent, the calculation of the financial result exerts depends on the structure of the income and expenses that are an integral part of the income statement. Revenues and expenditures, according to their characteristics, can be as follows, according to Djukić (2005):

1. operating,
2. financial,
3. extraordinary,
4. non-operating.

Operating revenues or expenses represent the exponent of the core business of the organization. Financial, as their name implies, are the result of operations based on financial activities. Extraordinary income or expenses are based on factors that are the result of unforeseen circumstances. Non-operating income or expenses arise from additional and secondary business activities.

CASH FLOW STATEMENT

A cash flow statement is one of the essential financial statements that presents in detail the monetary effects derived from operating, the investment and financial activities of a business organization over a certain period of time. Cash flow information is the basis for internal and external users for issues related to the ability of businesses to generate cash.

The decisions made by the management on the basis of these reports concern the following, according to Epstein, Jermakowicz (2007):

1. liquidity,
2. profitability,
3. indebtedness.

Cash flow, in its most significant part, involves liquidity. Liquidity represents the ability of an organization to settle its obligations in accordance with the maturities. When compiling a cash flow statement, it is necessary to indicate the sources of the money (which is reflected by the inflows), and what the money was used for (represented by the outflows). In addition to the liquidity analysis, the application of cash flow is very intensive when analyzing the creditworthiness, according to Libby, Libby Daniel (2011). In this case, cash flow projections are realized, whereupon a prediction of the cash flow movement is carried out in the subsequent time periods. Also, very often, cash flow multipliers are applied when valuing the company's value. The most appropriate way to evaluate the value of the company is to discount future cash inflows and outflows, i.e. carry out an analysis of the future cash flow of the company and its reduction to the present value.

From the methodological aspect, there are two ways to create a cash flow statement, according to Delaney at al. (2003):

1. the indirect method,
2. the direct method.

The essential difference between these methodological approaches is in the valuation of cash flow from business activities, while the indicators of financial and investment activities do not differ. The direct method is stipulated by the law and all companies in Serbia must use the said method when submitting the final accounts. However, the indirect method has a wide range of uses in practice for reasons of its simplicity and speed required for compilation. Despite such characteristics, the cash flow statement has a high degree of information power for the managerial sector when making management decisions. In order to compile a cash flow statement based on a direct method, it is necessary to dispose with the following data, according to Đukić (2005):

1. two successive balance sheets (for the end and the beginning of the observed period),
2. an income statement for the accounting period,
3. other significant data which can be obtained from the main accounts of the organization.

Applying this method involves adjusting the positions of the profit and loss account to the changes that have occurred on individual balance sheet positions in two consecutive accounting periods in order to obtain the appropriate positions in the cash flow statement.

In using the indirect method when compiling a cash flow statement, the starting point is the net operating result, which is adjusted for the effects of non-cash transactions, i.e. for the income and expenses that do not lead to inflow and outflow in the accounting period for which this report is compiled.

Unlike the direct method by which users are informed about the inflow and outflow of cash from business activities, using the indirect method can explain why the net cash flow from business activities differs from the other measure of business performance - net profit, according to Auerbach, Devereux (2013).

THE CORRELATION BETWEEN PROFIT AND CASH FLOW

As already noted in the text, accounting records in the economy are based on invoicing. This practically means that when selling goods, finished goods or services, there are bookkeeping and income records. Most often, the sale is operatively realized and contracted with different delivery and payment terms and thus there is a certain discontinuity of flows.

When goods are shipped and invoiced, revenue and receivables are recorded in the income statement, but if payment is agreed with some future date, there is no cash flow. Only when the payment is realized is the cash flow recorded in the cash flow report. An identical movement pattern occurs when recording expenditures or cash outflow.

Both cash flow and the financial result are crucial aspects of business. The cash flow shows the movement of money, which is essential for the daily and operational management of the financial operations of the organization. In this way, information about the financial assets used for payments to suppliers, taxes, employees and the like is obtained. The financial result, specifically speaking - the profit that is the topic of this paper, reflects the general economic success of the business and represents the basis for calculating taxes. Taking into account such a constellation of relationships, the financial image of the company's business success can take on paradoxical forms, according to Kimmel, Weygandt, Kieso (2011). In case of a lack of fresh money despite a positive financial result, a company can end up in bankruptcy, in the extreme case.

An organization can continuously realize its accounting profits, but profit and money may be engaged in some other non-cash form, such as receivables. In such a situation, when the dynamics of collecting receivables and money circulation is initiated, cash flow enters into a positive segment. Profit loss, in the long run, has a negative impact on the movement of cash flow. However, what is important to note is that the flow of money can be artificially generated. In particular, this involves loans and borrowings. In today's business conditions, money has become the most deficient of goods. Commercial banks have recognized such movements and offer a wide range of possible loans for resolving liquidity issues. Of course, such solutions have sound economic support only in cases of profit, or the possibility of profit in the balance sheets of the organization. In addition to cooperating with banks, the company can access fresh financial assets through a loan from a founder, through the sale of a fixed asset, or the sale of a claim with a certain discount. Such sources can contribute to the positive flows of monetary movements, but they do not constitute profit.

From all the mentioned, we can conclude that negative movements concerning cash flows have a high degree of negative impact on the business organization. One of the main factors that could influence such activities is the incorrectly designed commercial activities of the organization. Specifically, this involves inadequately arranged payment terms with customers and suppliers. Payment deadlines for suppliers are considerably shorter than the time limits for collecting receivables by customers, and such a dynamic exists with a constant deficit of cash. Also, an inadequate inventory policy and inventory management process can lead to a large share of assets in the form of inventory and create a lack of fresh money. Drawing profits through payments to owners and founders can contribute to creating negative trends in the cash flow statement.

It is also interesting to mention the issue of the impact of depreciation costs on cash flows, as well as the correlation between profit and cash flow. One of the more important characteristics of depreciation costs is that it is a non-monetary expense. Depreciation is a gradual process of spending fixed assets. For this reason, the cost of depreciation is added to the inflow of cash from operating activities. The same is true with other non-cash expenses, such as write-offs.

Taking into account the above facts, it is possible to determine the great importance of the time determinant of creating cash flows. This results in the importance of activities related to planning in management and strategic activities related to business.

CASH FLOW AND THE FINANCIAL RESULTS OF THE COCA-COLA COMPANY

The influence of the Coca-Cola brand on literally the whole planet is well known, as well as the extent to which it impacts the everyday life of an enormous number of people. Table 1 shows the data from the Coca-Cola cash flow statement for 2015 and 2016.

Table 1: Cash flow of the Coca-Cola Company for 2015 and 2016.

(mil. $)

Cash Flow	**2016**	**2015**
Net income	6.527	7.351
Depreciation	1.787	1.970
Correction of net income	680	1.349
Changes in other operative activities	221	157
Cash flow from operative activities	8.796	10.528
Capital expenditure (CAPEX)	2.262	2.553
Investments	1.125	1.752
Other cash flow from investment activities	138	1.881
Cash flow from investment activities	999	6.186
Dividends paid	6.043	5.741
Own shares purchased	2.247	2.319
Net loans	1.666	2.696
Other cash flow from financial activities	79	251
Cash flow from financial activities	6.545	5.113
Effect of changes in foreign exchange rates	6	878
Changes in cash and cash equivalents	1.246	1.649

Source: https://finance.yahoo.com/quote/KO/financials?p=KO

The 2015 analysis is especially specific when observing the results of these two financial reports. In that year, there was a theoretical discontinuity between profit and cash flows and cash equivalents. The profit was $7.351 billion, while the amount of money and cash equivalents was reduced by $1.499 billion.

The main reason for this is the high degree of capital intensity that was realized in 2015. Investment activities were at an extremely high level, and a large amount of money was used to finance investments. Based on investment activities, a net outflow of $6.186 billion was generated. In order to compare the size, the net outflow of money from investment activities covered as much as 84% of the net profit realized in the observed year. Observing 2015, the most significant item of outflow of money from investment activities is the capital expenditure item (CAPEX). This involved money funds that are in use with the aim of expanding physical forms of property or fixed assets. With such an investment policy, which is reflected in a high degree of pro-activity, the Coca-Cola Company created an extremely good basis for the future implementation of business operations and allowed conditions for the realization of future profits, which is the basis for generating positive cash flows.

In the following year, 2016, there was a return on investment activity, which can be interpreted by the fact that a part of the investment began to produce a profit. However, what was specific is the fact that CAPEX remained almost at the same level. In the annual period characterized by investment inflows, CAPEX had experienced the relatively low decline of only 11%. This means that Coca-Cola is highly oriented towards the investment business. The breakdown of investment activity from $6.186 billion in 2015 fell to $999 million in 2016.

Looking at the financial statements of Coca-Cola, it can be ascertained that, taking into account its core business which in the cash flow statement and in the income statement is represented through the cash flow from operational activities and the operating profit, it has achieved extremely successful results. From such a position, the fact that a short-term liquidity imbalance can successfully be solved by some types of bank loans ensues, i.e. that there are some objectively healthy conditions for this to occur. If profit from core activities was not realized, the company would not be able to apply for a liquidity loan.

Taking into account the financial activities, the general tendency is that almost all the most successful global companies have negative results in this domain. Coca-Cola joins this

group, where it belongs. In 2015, the dividend paid out amounted to $5.741 billion. Also, the company bought its own shares in the amount of $2,319 billion. And in this way, Coca-Cola again clearly demonstrates the principles of its business policy that are reflected in its orientation towards capitalization.

Table 2 shows data on the Coca-Cola income statement for 2015 and 2016.

Table 2: The income statement of Coca-Cola for 2015 and 2016.

(mil. $)

Income statement	**2016**	**2015**
Total income	41.863	44.294
Cost of sold products	16.465	17.482
Gross income	25.398	26.812
Cost of sales and administration	15.262	16.427
Other operative costs	1.510	1.657
Operative profit	8.626	8.728
Interest income	642	613
Interest expenses	733	856
Dividend income	835	489
Other expenditures	1.234	631
Pre-tax profit	8.136	9.605
Income tax	1.586	2.239
Profit after taxation	6.550	7.366
Payments to minority shareholders	23	15
Net profit	**6.527**	**7.351**

Source: https://finance.yahoo.com/quote/KO/financials?p=KO

Looking at the 2015 cash flow statement, one item is atypical for core business and operational operations. This involves the effects of foreign exchange rate changes. However, since this is a company that is, in the fullest sense, a global one, it is subject to the influence of world movements. The year of 2015 was characterized by an increase in the value of the US dollar, so there is a high degree of possibility that the depreciation of a number of domicile currencies have contributed to the outflow of money.

Looking at 2016, we can also notice a significant paradox in the financial statements, from the aspect of realized profit and cash flow. As far as financial flows are concerned, it can be established that there has been an improvement in the cash flow. Outflows changed their forms and were transformed into inflows - $1.649 billion of a negative cash flow in 2015 turned into $1.246 billion positive. On the other hand, the net profit fell from $7.351 billion to $6.527 billion.

The main factor in the decline in net profits, looking at the 2016 income statement, is the decline in the total revenue. An analogy can be seen by analyzing the cash flow statement, as there was decline in inflow from operating activities.

CONCLUSION

The preparation and concept of company financial statements entails a legal obligation defined by the normative regulations. In addition to the character of the obligation to be met, financial statements, if they are created according to certain standards, are some kind of mine of information. By proper and adequate analysis, it is possible to establish certain bottlenecks and perform a re-optimization of operations.

One of the important segments is the cash flow statement and the income statement. The main products of the cash flow statement are information relating to items representing the basis

by which cash inflows and outflows occur. The income statement represents the financial result of the organization in the form of profit or loss. In contemporary economic circumstances, it is possible to realize certain paradoxical situations. A large number of companies make a profit, that is, a positive financial result, but it entails a significant deficit with regard to fresh money. Taking into account such a fact, it has also happened that financially profitable companies were brought to the brink of extinction. The main factor in this unnatural situation is the accounting principle represented in the economy.

The fastest short-term solution to similar problems is reflected in the use of bank loans for liquidity. Such loans make sense in those cases where the company achieved a positive financial result from operational activities that relate to the core business of the organization. A fundamental solution to this problem is reflected in the transformation of the basic postulates of business, financial and commercial policies. It is necessary to carry out a thorough analysis of the maturity of the positions of funds and sources of funds and to consider them in a proper manner. Also, it is extremely important to possess concise information on the state of the supplies, so as not to have a worst-case engagement of assets and thus create a liquidity risk.

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ORIGINAL SCIENTIFIC PAPER

Identifying productive leadership model to increase employees' job motivation

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ABSTRACT

Today it is believed that organizations can compete and adopt themselves with situations when they have employees with ability, obligation, skill and motivation. This is not limited to organizations but power of nations' competition will be reached in their human resource. Improving employees' motivation is one of the most effective techniques to increase employees' productivity and to use their capacity and individual abilities along with organizational goals. Among these it is inevitable to count on managers and leaders' effective role in changing and fundamental changes in organization. Effective Leadership style is an inseparable part of creating a training environment for skillful employees. In this article it was assessed kinds of leadership styles for increasing organizational motivation in management and strategical planning which is an organization depended on government. Finally, 11 leadership models were measured according to elites' vote and by using of fuzzy analysis of TOPSIS and democratic leadership model was determined as productive leadership model.

KEY WORDS: *leadership model, motivation scales, increasing employees' motivation, TOPSIS fuzzy analysis, improving organization productivity*

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INTRODUCTION

The effective role of managers and leaders in changing and fundamental evolutions in organization is inevitable. The new theories of leadership open new horizons in executing organizations and their moves in progression and development path every day and give essential knowledge managers and leaders for confronting environmental changes and evolutions (Chapman, 2017).Todays, individual works are decreasing and team works' importance is increasing. This shapes new management approach which its importance is evolving day to day. Management and organization theorists believe that it must be provided essential conditions and foundations in order that employees feel power and efficiency. Organizations, management and employees must have essential readiness (Tamir et al., 2015).

Leadership style as a behavioral pattern which describes behavioral characteristics of leaders. In this new world, role of manager as a leader so important that it is being tried hard in all fields to find persons who have abilities of leadership. Actually, nothing will be happened if this role isn't performed. As a duty, leader should examine ability and preference of individual and group, and choose one od leadership's style in dealing with them (Wipulanusat, Panuwatwanich,Stewart, 2017). Leadership style also shows ideology, worldview and personality of leaders. If this style is not chosen properly, on one hand it will led to organization and individuals' productivity and in other hand it will perform as a reason of mental tension caused by job or mental pressure in employees (Wilson, 2017).

In this study kinds of leadership styles will be assessed from point of view of elites of Iran planning and management organization where is a strategical organization for determining governmental organs' strategy in different provinces.

REVIEW OF LITERATURES

Mangers' leadership style is one of effective factors in increasing productivity, effectiveness and finally efficiency of organizations. Leaders' proper behavioral pattern in every organization cause creating powerful motivation in employees and finally increasing their satisfaction of job and profession (Shao, Feng,Hu, 2017). By studying previous literature, leadership styles categorized in table 1. Mentioned codes under each style is used in analysis.

Table 1:Leadership style

Leadership style	Explanation
Authoritarian M1	Authoritarian leadership is executed in organizations which are in serious crisis and need urgent decision and their processes are routine and non-specialized. This style is good for military and its advantages are quick decision making and undeniable power in leadership.
Bureaucratic M2	This style is useful for organizations that perform academic and exact and unsafe works and it is serious for them to pay attention to rules and instructions for doing serious safety. Its advantages are increasing safety and decreasing risks resulted from functions which are not determined.
Charismatic M3	This style is useful for organizations which are dissatisfied incuriosity among their employees. Choosing this style can be useful to make employees change organization atmosphere with their energy. This style is proper for organization which need inside change and leader must motivate others to do their best with making himself as a pattern.
Collaborative M4	This style is useful in organizations where innovation and collaboration is the most important factor. This style is proper for non-crisis situations and its response to crisis situations is negative. It is also useful for organizations which concentrate on operational improvement. But its disadvantages are longing decision making and it also does not clear some unproductivity.

Leadership style	Explanation
Non-interventionism M5	This style is used for organizations where need self-management methods and time management is important. It is useful for works which do not need guidance and we are sure that works will be performed with minimum errors. If employees do not have enough knowledge, these methods will have high risks.
People-oriented M6	This style develops team work. Leader's look on employees is equal and strong groups will be formed. The main disadvantage of this style is forgetting individual responsibilities and this causes employees' capability will be neglected.
Servant M7	This style is useful for educational and service organizations like hospital and university. Leader is committed to cultural indicators. Commitment, honesty, truthfulness and sympathy are main values in this style. Its advantage is creating valuable culture, although decision making is so slow.
Task-oriented M8	This style is focused on work control, tasks and instructions. It is useful for organizations where dissatisfaction is developed among employees because of not paying attention to their problems.
Interactive M9	It is useful for organizations where works are performed as projects and organizations where need innovations and creativities can't adopt themselves with style.
Transformative M10	This style determines view and clear targets in organization and tries to attract employees' collaboration. This happens with a good understanding of around changes and motivation methods. Leader, with his emotional intelligence, creates new capability for organization.
Democratic M11	In this style, leader focuses on thoughts and propositions of group members to reach group's target. All the decisions are made on group's consensus.

Table 2: Motivation theories

Motivation theories	Explanation
Content theories	These theories describe "being" and "needs". Theorists are trying to know and recognize factors which cause human's motivation.
Process theories	These theories are more cognitive and respond to why questions. These theories are trying to find mutual action of these variables with dependent variables like employees' job satisfaction.
Job satisfaction theories	These theories determine that people look at different jobs that they can choose, before choosing their jobs. The choose like this because they are looking for favorite rewards.

Many scholars have examined kinds of leadership style in organization process area. Among similar researches which have assessed leadership styles in motivation scales there is table 3.

Table 3: Leadership styles in motivation scales

Example of researches	Kind of test
Binfor et al., 2013	In this study, the influence of authoritarian, democratic and non-interventionism styles are assessed. This study which performed in Ghana showed superior of democratic, non-interventionism and authoritarian on motivation rate.
Chaudhry,Javed,2012	This study showed influence of non-interventionism on motivation rate using questionnaire distribution among 278 persons among elites. The results were reached with SPSS analysis. These results showed meaningful use of non-interventionism style in Pakistan weaponry industry.
Barbuto,2005	In this study, influence of interactive, charismatic and exchange on motivation rate was assessed. It showed the most adoption of transformative style in comparison with other styles.
Stone, Russell, Patterson,2004	In this study, exchange and servant styles were assessed in comparison with behavioural characteristics and employees' motivation rate. The results showed that exchange style is more popular.

RESEARCH METHODOLOGY

Motivation scales for analysing kinds of leadership style has been evaluated in another study of this scholar. For examining leadership styles in this article it has been used 34 main measures of motivation promotion which was assessed in this research.

In next step, we will examine leadership styles preferences against motivation scales by using fuzzy TOPSIS analysis method. Using this approach, we can reach a comprehensive understanding of evolved styles preferences from research literature against success rate in promoting employees' motivation. It has been used coding in MATLAB and EXCELL software to analyse data and using fuzzy TOPSIS analysis in this step. Scales's code is decision matrices.

In fuzzy TOPSIS analysis of options which are matrices analysis's rows which are presented in table 1.

In next step TOPSIS analysis steps will be presented by using of mathematics equations constraints.

$$\tilde{W} = (\tilde{w}_1, \tilde{w}_2, ..., \tilde{w}_n)$$

In above equation $\tilde{w}$ presents each indicators' weight.

$$\tilde{D} = \begin{array}{c} \\ A_1 \\ A_2 \\ A_3 \\ \vdots \\ A_4 \end{array} \begin{array}{c} \begin{array}{cccc} C_1 & C_2 & \dots & C_n \end{array} \\ \begin{bmatrix} \tilde{x}_{11} & \tilde{x}_{12} & \dots & \tilde{x}_{1n} \\ \tilde{x}_{11} & \tilde{x}_{22} & \dots & \tilde{x}_{n1} \\ \vdots & \vdots & \dots & \vdots \\ \tilde{x}_{m1} & \tilde{x}_{m1} & \dots & \tilde{x}_{mn} \end{bmatrix} \end{array}$$

Which in above equation present questioning leadership styles and present questioning motivation scales for mentioned options. It is important to say that all numbers in above equation are entered as fuzzy. In following matrix, fuzzy definition of above matrix elements is presented.

$$\tilde{x}_{ij} = (a_{ij}, b_{ij}, c_{ij})$$

According to above equations, matrix elements are in accordance with table 4 and scales element are defined as fuzzy triangular.

Table 4: Matrix elements

weights	0.2	0.6	0.9	0.6	0.7	0.9	0.6	0.7	0.9	0.3	0.7	0.9	0.1	0.5	0.9	...
Scales	A1			A2			B1			B2			C1			...
M1	1	4	6	1	3	6	2	4	6	1	4	5	1	4	5	...
M2	1	4	6	2	4	6	1	4	5	1	4	5	1	5	6	...
M3	1	4	9	2	6	8	2	6	7	3	4	8	2	6	7	...
M4	1	5	6	2	4	8	1	5	7	1	4	8	1	4	6	...
M5	1	4	6	1	5	7	1	4	6	1	4	6	2	5	7	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
a-																...
c+	9	9	9	9	9	9	9	9	9	9	9	9	8	8	8	...

After making decision matrix as fuzzy type and for solving it in fuzzy TOPSIS method, firstly matrix numbers of fuzzy decision are normalized by using following normalization equation.

$$\tilde{r}_{ij} = \left(\frac{a_{ij}}{c_j^*}, \frac{b_{ij}}{c_j^*}, \frac{c_{ij}}{c_j^*} \right) \qquad c_j^* = \max_i c_{ij}$$

According to above equation, indicators will be scalable in this step. Since evaluated indicators in previous section are maximum type and by increasing in these indicators' amount we are closer to ideal solution, equation 4 is the only defined maximum equation. The example of normalized decision matrix is presented in table 5.

Table 5: Normalized decision matrix

Weights	0.2	0.6	0.9	0.6	0.7	0.9	0.6	0.7	0.9	0.3	0.7	0.9	...
Scales	A1			A2			B1			B2			...
M1	0.11	0.44	0.67	0.11	0.33	0.67	0.22	0.44	0.67	0.11	0.44	0.56	...
M2	0.11	0.44	0.67	0.22	0.44	0.67	0.11	0.44	0.56	0.11	0.440	0.56	...
M3	0.11	0.44	1.00	0.22	0.67	0.89	0.22	0.67	0.78	0.33	0.44	0.89	...
M4	0.11	0.56	0.67	0.22	0.44	0.89	0.11	0.56	0.78	0.11	0.44	0.89	...
M5	0.11	0.44	0.67	0.11	0.56	0.78	0.11	0.44	0.67	0.11	0.44	0.67	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...

In next step from equation 5, we designate fuzzy weights for scales to normal scalable matrix in previous step. According to following equation weighted fuzzy matrix will be concluded as table 6.

$$\tilde{\upsilon}_{ij} = \tilde{r}_{ij}(.)\tilde{w}_j$$

Table 6: Weighted fuzzy matrix

weights	0.2	0.6	0.9	0.6	0.7	0.9	0.6	0.7	0.9	0.3	0.7	0.9	...
scales	A1			A2			B1			B2			
M1	0.02	0.27	0.60	0.07	0.23	0.60	0.13	0.31	0.60	0.03	0.31	0.50	...
M2	0.02	0.27	0.60	0.13	0.31	0.60	0.07	0.31	0.50	0.03	0.31	0.50	...
M3	0.02	0.27	0.90	0.13	0.47	0.80	0.13	0.47	0.70	0.10	0.31	0.80	...
M4	0.02	0.33	0.60	0.13	0.31	0.80	0.07	0.39	0.70	0.03	0.31	0.80	...
M5	0.02	0.27	0.60	0.07	0.39	0.70	0.07	0.31	0.60	0.03	0.31	0.60	...
...	...	...	...	...	...	...	...	...	...	...	...	...	...

In next step and according to Euclidean equations, we compute distances of each element from ideal and snit-ideal and finally distances matrices from ideal and anti-ideal will be in tables 7 and 8.

$$CC_i = \frac{d_i^-}{d_i^- + d_i^*}, i = 1, 2, ..., m$$

Table 7: Distances of each element from ideal and snit-ideal

	A1	A2	B1	I6	...	J1	J3	J4	DP
M1	0.64849	0.64002	0.58440	0.83789	...	0.83789	0.83789	0.83789	24.11370
M2	0.64849	0.58440	0.63278	0.80750	...	0.75373	0.75373	0.78021	22.89919
M3	0.62493	0.51171	0.52139	0.58377	...	0.55943	0.56518	0.61027	19.42454
M4	0.62759	0.56112	0.57610	0.62634	...	0.61831	0.61299	0.61299	20.41928
M5	0.64849	0.57610	0.61407	0.63951	...	0.63951	0.63951	0.63951	20.96298
...	...	...	...	...	...	...	...	...	...

Table 8: Finally distances matrices from ideal and anti-ideal

	A1	A2	B1	I6	...	J1	J3	J4	DN
M1	0.36221	0.32261	0.34090	0.04303	...	0.06415	0.07172	0.06086	7.81947
M2	0.36221	0.34090	0.28725	0.11349	...	0.18648	0.18922	0.16997	9.65546
M3	0.52607	0.48381	0.43419	0.49860	...	0.57682	0.57724	0.53287	17.09472
M4	0.37887	0.44795	0.41026	0.40460	...	0.48729	0.48796	0.47752	14.62228
M5	0.36221	0.41026	0.33872	0.35329	...	0.38157	0.38292	0.36952	12.94739
M6	0.49922	0.53368	0.43248	0.40481	...	0.43400	0.43457	0.42281	16.18653
...	...	...	...	...	...	...	...	...	...

CONCLUSION

According to ideal and anti-ideal distances in tables 7 and 8 and with presented coefficient of proximity in equation 6, leadership styles ranking will be shown in table 9.

Table 9: Leadership styles ranking

Leadership style	code	(CC) Proximity index	Score
Democratic	M11	0.4904183	11.23931
Chaurismatic	M3	0.4681015	10.727858
Interactive	M9	0.4649305	10.655186
People-oriented	M6	0.4494461	10.300318
Servant	M7	0.4236172	9.7083758
Collaborative	M4	0.417284	9.5632329
Transformative	M10	0.417284	9.5632329
Non-interventionism	M5	0.3818122	8.7502973
Task-oriented	M8	0.3090637	7.0830617
Boroucratic	M2	0.2965924	6.7972469
Authoritian	M1	0.2448699	5.61188

It is clear, with fuzzy TOPSIS analysis, that leadership styles are distributed closer to selected indicators in previous section with a domain in./25 different from each other. According to table 9 results, democratic leadership has the most proximity indicator with promotion of employees' motivation scales among assessed leadership styles and is recommended as proposal option in organizations where expect leadership approach grounded in promoting employees' motivation. The reason of good adaption of democratic leadership style with motivation scales is due to leaders' cooperation to reach a collective agreement for a common target in organization and at the same time it will be estimated supervision of organization's leader on employees' performance. As it is presented in Table 9, Charismatic and interactive leadership styles are in second and third places and it may be resulted from creating motivation among employees with motivation factors using leader charisma in charismatic leadership, and creating interactive relation with employees in interactive style which cause leader and employees' relation exit from organization obligations and increase interaction between them. The main point in data analysis of elites in this research shows that non-interventionism leadership, although it has the least intervention of leader in organization's processes, has not caused to increase motivation. Its reason is lack of superior supervision on work progression procedure which cause this style to depend on interaction and expertise and team morale of employees. According to the results in table 9, we can describe that non-interventionism leadership style may be effective in organizations where exist the ground for employees' ability and capability of reliability among all employees and also organizational works has a little complexity and only is short time processes, but when there is complexity in processes and organizational actions, relations and group hierarchy will be confused and

therefore this style won't have any productivity. Ranking results of leadership style in table 9 shows the leadership styles in which leader's role is as superior supervision and is a kind of consular and leader presence of leader validates organization hierarchy, leadership style in comparison with absolute and non-interventionism leadership will have a proper ground in the area of increasing employees' motivation. According to the results of authoritarian leadership which has absolute leadership has been estimated as the weakest leadership style. Following cases are proposed for more research in this area to researchers.

1. Prioritizing motivation scales in each of motivation theories area and explaining sub-scales according to fuzzy hierarchy approach.
2. Evaluating kinds of leadership styles in organizations with complexity and high process change with fuzzy hierarchy approach
3. Assessing kinds of leadership style productivity with data envelopment analysis technique.

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ORIGINAL SCIENTIFIC PAPER

Proclivity for open innovation in the case of agricultural and food companies in Serbia

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ABSTRACT

The approach to open innovation presents one of the major trends in terms of constant change and accelerating technological innovation. The given construct proclivity for open innovation involves measuring technology exploration and technology exploitation involving different inside-out and outside-in open innovation activities. In this paper, we are researching the tendency for open innovation on a sample of 102 companies in the agriculture and food sectors in Serbia. The research has shown that companies in the agro-food sector are inclined to open innovation, not just those in high-tech industries that are often the subject of innovation literature. The food sector shows greater proclivity for open innovation in comparison with agriculture in all elements apart from the question of willingness to sell intellectual property. The study was limited to Serbia and cross-countries research would allow establishing the specificities and differences of the proclivity for open innovation in the agro-food sector by regions.

KEY WORDS: *Proclivity for open innovation, Technology exploitation, Technology exploration, Agro-food sector, Serbia*

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INTRODUCTION

Open innovation as a new paradigm for managing innovation, introduced by Chesbrough (2003), shortly thereafter developed into a special research area and has become one of the most current subjects in innovation management (Huizingh 2011). In accordance with Chesbrough et al. (2006) open innovation is defined as "the use of purposive inflows and outflows of knowledge to accelerate internal innovation, and expand the markets for external use of innovation, respectively." The basic idea behind open innovation is to open up the innovation process to other organizations (Chesbrough et al. 2006) in order to allow the unimpeded flow of ideas within and outside the organization and, in this way, bring out the advantage of exploration of external and exploitation of internal resources (Chesbrough 2003).

The literature points out that the prospect of open innovation first found its place in multinational companies and high-technology industries and in situations where the focus is on emerging technologies (van de Vrande et al. 2009; Herzog 2011). Although Open Innovation approach started to evolve from the research of high-tech multinationals, Chesbrough and Crowther (2006) found that firms through a wide range of low technology and mature industries can also apply open innovation. In addition, the size of the company is not an obstacle for the implementation of open innovation. According to van de Vrande et al. (2009), open innovations are relevant and present in business practice in much broader group of small and medium-sized enterprises. Small companies often lack the resources to develop and commercialize new products that encourage them to cooperate with other organizations (van de Vrande et al. 2009). Accordingly, a research base has increased. Hossain (2015) finds out that 61 articles published between 2003 and 2014 can be found in the relevant scientific databases on the subject of small businesses and open innovation.

The evidence proving the approach of open innovation spread to agro-industrial sector has been growing (Sarkar, Costa 2008; Matras-Bolibok, Kiss 2014). Agriculture is becoming more complex by its nature existing in an environment characterized by rapid global, technological, market and social changes. Continuous and consistent improvement of technological and organizational skills, putting a strong emphasis on innovation, which are crucial for the organization's sustainability, development and competitive advantage (Pishbin et al., 2015). According to Matras-Bolibok and Kiss (2014) open systems approach to agricultural innovation becomes an adequate vehicle for invigorated farmers to explore new options in order to make their businesses more viable and sustainable.

In the food industry, which is considered to be traditional and low tech, there has been a big change from the beginning of the 21st century. Innovations in this area are moving towards open innovation as Acosta et al. (2011) explains by the fact that innovations are initially introduced in small companies that lack the know-how necessary for commercialization; food industry does not rely only on its own R & D, but learns and interacts with different participants; and knowledge useful for companies in the food industry comes from various sectors such as agriculture, pharmaceuticals, chemical industry, process industry and emergent scientific and technological fields such as biotechnology.

Agro-industrial sector plays an important role in the economy of Serbia. According to the Strategy of Agriculture and Rural Development of Serbia for the period 2014-2024 (2014) in 2024, agriculture should be the sector whose development is based on knowledge, modern technologies and standards, domestic and demanding foreign markets offering innovative products and manufacturers provide a viable and stable income. Similarly, Strategy and policy development of the industry of the Republic of Serbia 2011-2020 (2011) predicts the growth of industrial production, investment, innovation and exports, as well as speeding up the reform process. If we take into account environmental factors that have a strong influence on

agriculture and food industry of Serbia, such as globalization, the rise of competition, the process of Serbia's European integration, technological changes, changes in the needs and preferences of customers, etc., as well as the projections of strategic documents, innovation is one of the keys of profitability and competitive advantage in the agro-industrial sector in Serbia.

Innovations are the most important drivers in contemporary economies (Vukovic et al., 2016) and much of the efforts policy makers and many other stakeholders aim to support innovation. Although, today in Serbia, the importance of innovation is understood as one of the main levers of success in enterprises of agro-industrial sector in Serbia, innovation processes in small and medium-sized enterprises are still ineffective and unsystematic. According to the approach to open innovation, an organization cannot innovate in isolation; it must be connected with different types of partners to gain ideas and resources from the environment to keep pace with the competition (Dahlander, Gann 2010). The question is whether the concept of open innovation finds its place in agricultural food sphere in Serbia, whether small, medium and large companies in the agro-industrial sector are prone to open innovation or traditionally the sector is still closed and reluctant for such innovations.

According to Schoeffel (2014), preference for open innovation is defined as the inclination or predisposition of organizations to use different elements of open innovation in the innovation process. Preference for open innovation is conceptualized by Huang and Chiang (2010) as the evaluation of the inclination of companies to integrate external ideas to supplement its business model in order to pursue innovation success and gauge the tendency for companies to profit from outsiders' underutilized use of its intellectual property. However, the construct the authors have developed to measure firm-level open proclivity is incomplete, including collaboration and selling/buying intellectual property, but ignoring some important open innovation activities that have been highlighted in previous literature as venturing, engaging the customer and external participation. Rangus (2014) develops a proclivity for open innovation construct a more multi-dimensional in nature and is based on the basic work of previous authors (van de Vrande et al. 2009; Chesbrough/Crowter, 2006, etc.).

In accordance with Venturiny et al. (2013), the approach to open innovation is based on two main dimensions: technology exploitation and exploration technology involving different kinds of practice outside-in (inbound) and inside-out (outbound) open innovation activities. In the first set of innovational practices (technology exploitation), according to van de Vrande et al. (2009), venturing refers to starting up new organizations relying on internal know-how and other support services from the organization concerned; outward IP licensing is selling or offering licenses to other organizations to better benefit from the intellectual property of concerned organizations and employee involvement is leveraging the knowledge and initiative of employees by enabling them to implement ideas and participate in the implementation of innovations. In the second set of innovative practices, according to van de Vrande et al. (2009), customer involvement is a direct involvement of customers in the innovation processes of the organization concerned; external networking is relying on cooperation with network partners to support the innovation process; external participation has equity investments in other companies to obtain access to their knowledge; outsourcing R & D is buying R & D services from other organizations (notably knowledge institutions) and inward licensing IP is the purchase or use of intellectual property from other organizations. The review of open innovation practices according to de Vrande et al. (2009) is given in Table 1 (first column).

Practically, the construct readiness for open innovation should include each of the above activities. Rangus (2014) introduces a simplification for the part that relates to exploration technology, emphasizing that external participation and inward IP licensing in essence reflect one dimension of open innovation. This also applies to external networking and outsourcing R & D. In accordance with the Rangus (2014), a review of open innovation practices is given in Table 1 (second column).

Table 1: Overview of open innovation practices

Technology exploitation	
Van de Vrande *et al.* (2009) and Rangus (2014)	
Venturing	
Outward IP licencing	
Employee involvement	
Technology exploration	
Van de Vrande *et al.* (2009)	Rangus (2014)
Customer involment	Customer involvement
External networking	Outsourcing R&D & External networking
External participation	External participation & Inward IP licensing
Outsourcing R&D	
Inward IP licencing	

Source: Adapted from van de Vrande et al. (2009) and Rangus (2014)

In this way, the construct proclivity for open innovation consists of two dimensions and six elements: venturing, outward IP licensing, employee involvement, customer involvement, outsourcing R & D & external networking and external participation inward & IP licensing. Based on this, we developed a research instrument with twelve items, two for each of the elements, using the relevant literature (Rangus 2014; Hung/Chiang 2010; van de Vrande 2009; Chesbrough/Crowter 2006, etc.). The study included professors, external experts, company executives, experts in companies and farmers who estimated that 6 out of 12 items may have been excluded due to redundancy, similarities and reflecting the same aspect of proclivity for open innovation.

MATERIAL AND METHODS

In the study included a hundred and four (104) participants (companies) divided into two groups of fifty-two (52). The first group was comprised of participants from the agricultural sector (perennial crops cultivation, perennial crops growing, planting material growing, farming, mixed farming), while the second group was comprised of participants from the sectors of food products (meat and meat products processing and preserving, processing and preserving of fruits and vegetables, production of vegetable and animal oils and fats, dairy production, grain mill products, starches and starch products, bakery products and pasta, production of other food products). Ten respondents were from large enterprises, others were from small and medium-sized enterprises.

The final list of questions was the following:

1. We use external sources of knowledge / technology when developing new activities. (Venturing)
2. We are willing to sell a part of our intellectual property rights to other organizations. (Outward IP licensing)
3. We provide information to employees about the importance of innovation for our business? (Employee Involvement)
4. Our organization is willing to invest in a new company to achieve access to knowledge / technology. (External participation & IP licensing inward)
5. Our customers are involved in the process of testing a new product / service? (Customer involvement)
6. We work with universities, institutes, laboratories and similar organizations providing knowledge in order to acquire new knowledge / technology? (Outsourcing R & D & external networking)

Replies to the questionnaire were designed based on the Likert scale (reference) of seven divisions so that each respondent could express their level of agreement or disagreement.

The questions in our research were planned in the form of the following six variables:

var 1 - readiness to use external sources of knowledge / technology to develop new activities;

var 2 – measures of willingness to sell part of its intellectual property to other organizations;
var 3 - willingness to inform employees about the importance of information for business;
var 4 - willingness to invest in a new company to achieve access to knowledge / technology;
var 5 - degree of willingness of respondents to involve users in the process of testing new products / services;
var 6 - measures of cooperation with universities, institutes, laboratories and similar organizations of knowledge in order to acquire new knowledge / technology.

RESULTS AND DISCUSSION

Using a statistical method - Mann-Whitney test *for independent samples* and the software package SPSS for Windows (version 16.0), we compared the differences between the two independent groups of respondents from mentioned sectors (*Table 1*). The result was considered statistically significant if the probability $p < 0.05$.

A detailed overview of the frequency of respondents for each of the questions (variables) can be seen from *Tables 2 and 3*.

Results of Mann-Whitney test show that there is a statistically significant difference between the groups of respondents from agricultural sector and in the sector of food production with regard to:

- the degree of readiness to use external sources of knowledge / technology (var 1), ($Z = -2{,}120$, $p = 0.034$); 41.2% of respondents in the agricultural sector and 56.8% in the food sector expressed readiness to use external sources of knowledge / technology to develop new activities.
- measures of willingness to sell intellectual property rights to other organizations (var 2), ($Z = -3{,}214$, $p = 0.001$); 28.4% of respondents from the agricultural sector stated that they were willing to sell part of their intellectual property, while the percentage is much lower in the food sector (15.7%);
- readiness to inform employees about the importance of information for business (var 3), ($Z = -3{,}582$, $p = 0.000$); the study showed that 17.6% of respondents in the agricultural sector considers it necessary to inform employees about the importance of information for business, while the percentage in the food sector was significantly higher (34.3%);
- the degree of willingness of respondents to involve users in the process of testing a new product / service (VAR 5), ($Z = -3{,}268$, $p = 0.000$); 39.2% of the employed in the agricultural sector, and even 64.6% of employees in the food sector is ready to rely on setting up a new business relying on internal knowledge / technology.

The results of Mann-Whitney test for two independent samples also showed no statistically significant difference in terms of:

- willingness to invest in a new company to achieve access to knowledge / technology (var 4), ($Z = -1{,}258$, $p = 0.208$) and
- extent of cooperation with universities, institutes, laboratories and similar organizations providing knowledge in order to acquire new knowledge / technology (var 6), ($Z = -1{,}309$, $p = 0.191$).

Table 2: The results of Mann-Whitney test for two independent groups of respondents from agricultural sector and the sector of food production by variables

	var 1	var 2	var 3	var 4	var 5	var 6
Mann-Whitney U	988.000	827.000	773.500	1115.000	820.500	1108.000
Wilcoxon W	2314.000	2153.000	2099.500	2441.000	2146.500	2434.000
Z	-2.120	-3.214	-3.582	-1.258	-3.268	-1.309
Asymp. Sig. (2-tailed)	0.034	0.001	0.000	0.208	0.001	0.191

Source: Own research

Table 3: Frequency response to the above-mentioned questions (by marked variables) of respondents from agricultural sector and the sector of food production

Offered responses Frequency N (Percent %)		1 N (%)	2 N (%)	3 N (%)	4 N (%)	5 N (%)	6 N (%)	7 N (%)
var 1	*Agricultural sector*	5 (9.81)	8 (15.69)	7 (13.73)	10 (19.61)	6 (11.77)	12 (23.50)	3 (5.88)
	Food produ-ction sector	0 (0)	4 (7.84)	10 (19.61)	8 (15.69)	9 (17.65)	10 (19.61)	10 (19.61)
var 2	*Agricultural sector*	5 (9.81)	2 (3.92)	9 (17.65)	6 (11.76)	11 (21.57)	10 (19.61)	8 (15.69)
	Food produ-ction sector	16 (31.37)	5 (9.81)	3 (5.88)	11 (21.57)	9 (17.65)	7 (13.73)	0 (0)
var 3	*Agricultural sector*	5 (9.81)	10 (19.61)	11 (21.57)	7 (13.73)	8 (15.69)	7 (13.73)	3 (5.88)
	Food produ-ction sector	0 (0)	6 (11.77)	5 (9.80)	5 (9.80)	10 (19.61)	18 (35.29)	7 (13.73)
var 4	*Agricultural sector*	7 (13.73)	6 (11.76)	9 (17.65)	10 (19.61)	8 (15.69)	7 (13.73)	4 (7.84)
	Food produ-ction sector	1 (1.96)	7 (13.73)	10 (19.61)	8 (15.69)	11 (21.57)	11 (21.57)	3 (5.88)

Legend 1:1 – strongly disagree, 2 - disagree, 3 – slightly disagree, 4 – neither agree nor disagree, 5 – to some extent agree, 6 - agree, 7 – totally agree

Source: Own research

Table 4: Frequency response to the above-mentioned questions (by marked variables) of respondents from agricultural sector and the sector of food production

Offered responses Frequency N (Percent %)		1 N (%)	2 N (%)	3 N (%)	4 N (%)	5 N (%)	6 N (%)	7 N (%)
var 5	*Agricultural sector*	6 (11.76)	7 (13.73)	9 (17.65)	9 (17.65)	13 (25.49)	5 (9.80)	2 (3.92)
	Food produ-ction sector	1 (1.96)	4 (7.84)	4 (7.84)	9 (17.65)	15 (29.41)	9 (17.65)	9 (17.65)
var 6	*Agricultural sector*	8 (15.69)	6 (11.76)	9 (17.65)	7 (13.73)	9 (17.65)	11 (21.57)	1 (1,96)
	Food produ-ction sector	1 (1.96)	4 (7.84)	10 (19.61)	15 (29.41)	9 (17.65)	9 (17.65)	3 (5.88)

Legend 2:1 - never, 2 - rarely, 3 – from time to time, 4 - sometimes, 5 - often, 6 - usually, 7 – always

Source: Own research

Industry is turning to other priorities that include innovation and development. Although the agriculture in Serbia went through similar processes, some of the problems remained present, such as unfavorable agrarian structure, unresolved property relations, the lack of organization of agricultural producers and lack of competitiveness. The Strategy for Agriculture and Rural Development of the Republic of Serbia for the period 2014-2024 (2014) aims to define the directions of future development based on the sustainable management of natural resources, If you look at the results obtained during the research of agricultural and food sectors, we can conclude that the food sector (31.38%) tend to be more open to innovation in relation to agricultural one (23.86%). The reasons for this may lie in the traditionally more conservative nature of the participants in agriculture compared to those in the industry, but also somewhat different processes that occurred in these two sectors during the process of transition to a market economy. Some of the key processes in the past in the food industry in Serbia were related to ownership transformation of enterprises, restructuring, taking into account the technological excess, assistance programs, return to profitability and this period is about to end. Now the food increasing production, competitiveness and accelerated development and introduction of agrarian policy instruments that allow dynamic restructuring of the agricultural sector.

Seen by elements from both major dimensions of access to open innovation, technology exploitation and exploration technology, the food sector has an advantage in terms of venturing, employee involvement, outsourcing R & D & external networking, customer involvement and external participation. However, in terms of willingness to sell intellectual property to other organizations the agricultural sector shows a lot higher score. In accordance with this result, companies in the food industry are still averse to sell the intellectual property rights that present one source of their competitive advantage to other organizations.

This study has several limitations. The research of proclivity for open innovation has been carried out on a sample of companies in the agricultural and food sectors in Serbia. The research sample of companies from several countries could be compared in order to determine the differences in organizational and environmental settings of different countries. Furthermore, this study did not take into account the differences between enterprises in terms of size, year of establishment, realized profits and other parameters. Future studies could determine whether there are differences in the proclivity for open innovation between different groups of companies. Sure, the very construct and measures of the proclivity for open innovation may be a subject of change.

CONCLUSION

Proclivity for open innovation in the agro-food sector in the researched sample of companies in the agro-food sector in Serbia is 27.62%. This result supports the attitude in literature that a preference for open innovation is also shown in companies that are not in high tech industries, and also in small and medium-sized enterprises.

A greater preference for open innovation in the researched sample was shown by companies in the food sector compared to companies in agriculture. We believe that the problem here is less in connection with the general food industry being more prone to innovation than agriculture. A part of the reasons are of local nature due to slower restructuring of agricultural sector in Serbia in the period of transition compared to the food sector.

Food industry in Serbia on the researched sample of enterprises has an advantage in five elements of the proclivity for open innovation in comparison with agriculture. However, the difference was significantly decreased by the question of willingness to sell intellectual property which indicates that the concept of open innovation presents a challenge for managers and that the traditional paradigm of innovation as a closed firm-level activity is still strong especially when it comes to intellectual property.

It is recommended to research the proclivity for open innovation in the agro-food sector in different countries with a uniform research instrument.

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ORIGINAL SCIENTIFIC PAPER

Emission of carbon dioxide of selected retailers

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ABSTRACT

Increased attention has been paid recently to the analysis of the effects of applying the concept of sustainable development in retail. In that context we have particularly considered greenhouse gases emission in retail. This is achieved through the use of modern ecological technology in business – through the whole value chain. The ultimate goal is to achieve the planned reductions of carbon dioxide in retail, which positively reflects the overall performance of retailers, environmental in particular. The costs of carbon dioxide emission reduction affect the performance of retailers. Continuous empirical research shows that almost all global retailers achieve a significant reduction in carbon dioxide emissions from year to year. Empirical research conducted in this paper on the example of global retailers in the United States, Europe and the European Union, the United Kingdom, Mexico, China, Croatia and Serbia shows significant and planned reduction of carbon dioxide emissions in retail, especially in countries with developed market economies. This empirical research is mainly based on the analysis of the original sustainable (environmental and ecological) reports officially disclosed by selected retailers, primarily from the countries of a developed market economies, which they started to publish with regular annual financial statements. They are now an integral part of the so-called integrated reporting on performance of global retailers. Due to the general importance, harmonized regulations on sustainable retail reporting are being increasingly applied as a data source for more efficient environmental management. In perspective, this will ease the comparative analysis of the carbon dioxide emission of global and other retailers.

KEY WORDS: *greenhouse gas emissions, carbon dioxide, CO_2 emission sources, renewable energy sources, sustainable reporting*

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INTRODUCTION

Close attention has been recently devoted to the analysis of environmental performance in all sectors, including wholesale and retail trade. Within this, greenhouse gases emission (GHG) in retail is briefly considered. The overall goal of global retailers is to reduce carbon dioxide emissions through the entire value chain. The costs of carbon dioxide emission reduction are significant and affect the performance of retailers.

The subject of research in this paper is the significance and trend of carbon dioxide emissions in retail. Based on a comparative analysis of the original officially disclosed sustainable reports of global selective retailers, the aim of the research is to comprehensively examine the problem of carbon dioxide emissions in retail through an entire value chain and to take appropriate measures to achieve the target reduction. The effects of this are the improvement of the overall, especially environmentally-friendly performances of retailers. In this we find the scientific and professional contribution of this work, due to the fact that there is scarce literature fully devoted to the issue of carbon dioxide emissions in retail.

Numerous factors undoubtedly influence carbon dioxide emissions in retail, and these are: type of store, product category, nature of the item itself, sales, location and distance (type of settlement: urban, suburban and rural), carbon policy (Wang et al., 2017), as well as energy sources, type of ventilation and heating of sales and other premises, cooling devices, mode of transport (logistics), waste treatment, and others. Taxation is also a factor in carbon dioxide emissions in all sectors, including retail (Qin, 2015). Regarding retail formats (types of stores, classical or modern - Internet shops) on-line sales have insignificant carbon dioxide emissions and, viewed through a value chain, it occurs only in warehousing, while in distribution and in the store, equals zero, contrary to the other types of stores (Seebauer et al., 2016). Carbon dioxide emissions vary by product category (food and non-food products) and within one product category, by individual articles, depending on their nature (Linda, 2014; Eriksson, 2017). All in all, the main sources of carbon dioxide emissions in retail are: electricity, transport, ventilation and heating, refrigeration and waste. Effective control of the factors that influence the emission of carbon dioxide can significantly affect the improvement of economic, social and, in particular, environmental performance in retail. For these reasons, it is necessary to know the size and intensity of carbon dioxide emissions in modern retail, which is the focus of this work.

There is voluminous literature devoted to analyzing the way company's performance is affected by general problems and effects of carbon dioxide emission reduction through the whole chain (Jones, 2005; Martinuzzi, 2011; Kahn, 2014; Congcong, 2016; Li, 2016; Seebauer et al., 2016; Bazan, 2017, Clune, 2017), as well as consumer preferences (Ji, 2017). In other words, it is generally known that carbon dioxide reduction increases the economic performance of companies (Cusshiella, 2017), the profitability of producers and retailers, as well as consumer preferences (Eagle, 2017). In view of the significance of the problem of carbon dioxide emissions, generally speaking, as far as we know, the number of papers dedicated to the specificities and impacts of carbon dioxide emission reduction on the performance of retail companies is modest (Patten, 2014; Makarov, 2015; Riboldazzi, 2016; Sullian, 2016). In Serbian literature this issue is only partially considered in some works (Lukic, 2011a, b, 2012, 2014, 2016a, b, c, 2017). For that reason, this paper attempts to make thorough analysis of specific issues of carbon dioxide emissions in the retail sector, firstly on the example of global retailers from different countries, primarily developed market economies, which, due to the general importance of the matter, publish reports on sustainable development with regular annual financial reports. This practice of global retailers provides them with more reliable information base for efficient management of carbon dioxide emissions through the whole value chain. This is particularly true for retailers in Serbia whose practice of making the reports on environment and sustainable development publicly available is at the very beginning.

The general research hypothesis in this paper is that the reduction of carbon dioxide emissions positively reflects on overall (integrated, especially environmental) performance of retailers. The methodology of the study of the given hypothesis is primarily based on the comparative analysis of the carbon dioxide emission of global selected retailers from various comparable countries of the developed market economy. The problem of comprehensiveness of the research on carbon dioxide emissions in retail is that, at the time being, there is no unified system of sustainable (environmental) reporting for all retailers. In addition, many retailers still do not publish this report, what as a consequence, has an incomplete "comparability" of data on carbon dioxide emissions by individual retailers. Nevertheless, knowledge of the importance and trend of carbon dioxide emissions from global retailers is very important in order to manage overall, integrated and, in particular, environmental performance in (concrete) retail. In view of the global, other retailers will increasingly publish reports on sustainable development (with data on carbon dioxide emissions). In this way, they will increase its information base for more efficient management of total business, including environmental protection. This will have a positive impact on the achievement of the target profit.

Main data sources for the research of the treated problem in this paper are literature, articles, publications, studies, OECD, Eurostat and, in particular, officially disclosed annual financial and sustainable reports of (global) retailers. They were processed in such a way that is easy to comprehend the significance and trend of carbon dioxide emission in retail.

CARBON DIOXIDE EMISSIONS IN RETAIL COMPANIES

Different is the carbon dioxide emissions of individual retailers. This is shown by the results of the research in this paper.

At WalMart (United States of America, Dominant operational format: Hypermarket / Supercenter / Superstore), a great significance is given to reducing carbon dioxide emissions (Table 1). This is achieved by: investing in renewable energy sources, reducing energy demand, improving energy efficiency, improving refrigeration in stores and maximizing the efficiency of the vehicle fleet.

Table 1: Carbon dioxide emission (Scope 1 and 2) and retail area at WalMart, 2005-2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Carbon dioxide emission (million ton CO_{2e})	18,9	19,3	20,1	20,8	20,3	20,6	20,8	21,2	21,0	21,9
Retail area (million square meters)	740	805	867	921	952	985	1,037	1,072	1,102	1,134
Carbon dioxide intensity (million tons CO_{2e}/million m^2)*	0,025	0,024	0,023	0,022	0,021	0,021	0,020	0,020	0,019	0,019

*Note: *Calculations performed by the author*
Source: Wal-Mart Stores, Inc. 2016 Global Responsibility Report, https://cdn.corporate.walmart.com/9c/73/3f9abcef444397f2c771e081e095/2016-global-responsibility-report.pdf#page=58&zoom=auto,-130,628

In generating greenhouse gas emissions, WalMart participates with: electricity supply 69%, refrigeration 18%, fuel transport 5.9%, fuel on the site 7% and mobile refrigerators with 0.1 % (Wal-Mart Stores, Inc. 2016 Global Responsibility Report, https://cdn.corporate.walmart.com/9c/73/3f9abcef444397f2c771e081e095/2016-global-responsibility-report.pdf#page=58&zoom=auto,-130,628. Therefore, the main source of greenhouse gas emissions in WalMart is electricity supply. With the increased application of the

ecological operation principles, WalMart reduced carbon dioxide emissions from year to year, which reflects favourably on its overall performance, especially environmental.

In **Kroger** (United States, Dominant operational format: Hypermarket / Supercenter / Superstore) carbon dioxide emissions amounted to 32.9 (tonnes of CO_2e / 1,000 sq ft) in 2015, and 36.3 in 2006. This means that there was a 9.3% reduction achieved (2016 Sustainability Report / Kroger, http://sustainability.kroger.com/environment-energy-carbon.html. The effects of this decrease are the improvement of environmental and overall performance in the company Kroger.

In **Best Buy** (United States, Dominant operational format: Electronics Specialty), considerable attention is paid to the reduction of greenhouse gas emissions. This is shown in Table 2.

Table 2: Energy and greenhouse gas emissions at Best Buy

Key performance indicators	Data
Energy consumption within organisation	Fuel consumption: 2,883,506,400,000,000 joules Electric energy consumption:1,074,586 MWh Total Scope 1&2: 1,975,560 MWh
Energy intensity	0,0332275 MWh/Sq Ft
Energy consumption reduction	34,415 MWh or 1,8% reductions from year to year
Direct emission of greenhouse gasses (GHG) (Scope 1)	219,869 MT CO_{2e}
Indirect emission of greenhouse gasses (GHG) (Scope 2)	*354,451 $MTCO_{2e}$
Other indirect emission of greenhouse gasses (GHG) (Scope 3)	1,019,791 MT CO_{2e}
Green House Gasses emission (GHG) intensity	0.01017468 $MTCO_{2e}$/Sq Ft
Green House Gasses emission reduction (GHG)	*120,444 $MTCO_{2e}$, or 17,3% reductions from year to year

*Note: *RECs (Renewable Energy Credits) not included*

Source: Best Buy Fiscal Year 2016 Corporate Responsibility & Sustainability Report,

https://corporate.bestbuy.com/wp-content/uploads/2016/06/fy16-full-report-final.pdf

The data in the given table show that it is planned to achieve a significant reduction in emission of greenhouse gasses in Best Buy primarily by using renewable energy sources.

At **Tesco** (United Kingdom, Dominant operational format: Hypermarket / Supercenter / Superstore), as with WalMart, considerable attention is paid to the research and control of carbon dioxide emissions. This positively reflects on its overall performance, including the surrounding ones. In Figure 1, an illustration of the specificity of carbon dioxide emissions measurement at Tesco is shown.

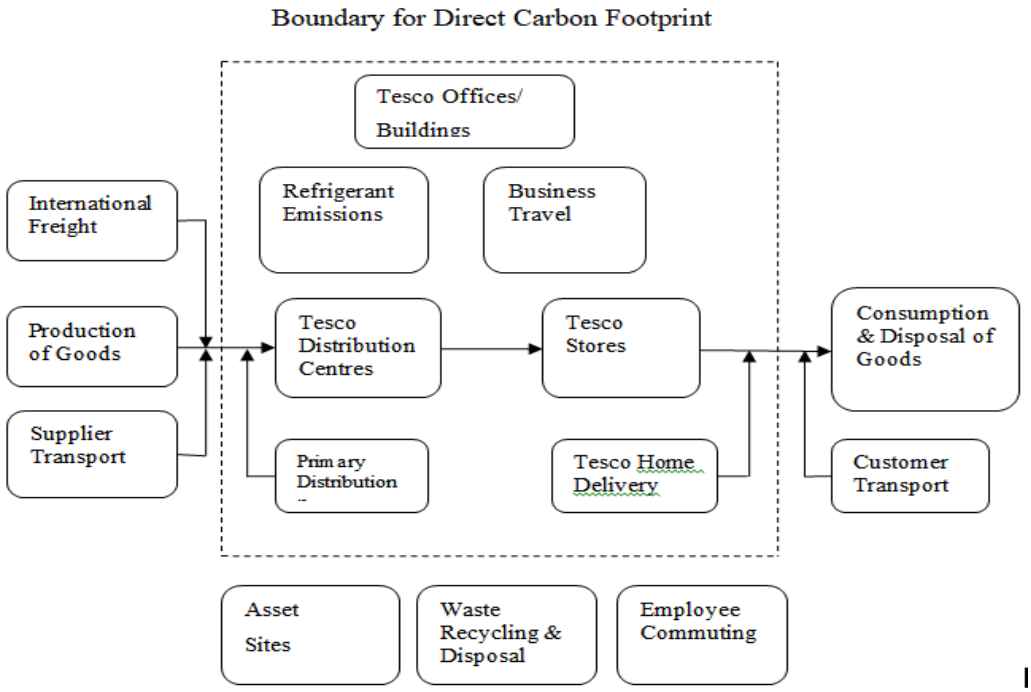


Figure 1. Tesco's emission limit

Source: Carbon Footprint 101: A Guide for Food Retailers,

https://www.fmi.org/docs/sustainability/carbon-footprint-101-a-guide-for-food-retailers.pdf?sfvrsn=4#page=11&zoom=auto,-121.85

Table 3 and Figure 2 show the greenhouse gas emissions in Tesco.

Table 3: Emission of greenhouse gases in Tesco

	Total ton CO_{2e}		
	2016/17	2015/16	Base year 2006/07
Scope 1	1,236,980	1,301,746	1,345,507
Scope 2			
Market-based method	1,582,275	2,004,992	Not available
Location-based method	2,357,245	2,528,323	2,259,984
Scope 1 and 2 carbon dioxide intensity ($kgCO_{2e}$/sq ft of stores and distributive centres)	22,95	26,33	51,14
Scope 3	1,073,721	1,097,491	1,064,460
Total gross emission	3,892,977	4,404,230	4,669,951
CO_{2e} from renewable energy exported to the grid	1,154	1,513	-
Total net emissions	3,891,822	4,402,717	4,669,951
Overall net carbon intensity (total net emissions $kgCO_{2e}$/sq ft of stores and distributive centres)	31,69	35,06	66,23

Source: Tesco PLC Annual Report and Financial Statements 2017,

https://www.tescoplc.com/media/392373/68336_tesco_ar_digital_interactive_250417.pdf

The data in the given table show that the intensity of carbon dioxide emissions in Tesco is decreasing from year to year.

2016/17 total carbon footprint (million tonnes CO2e)

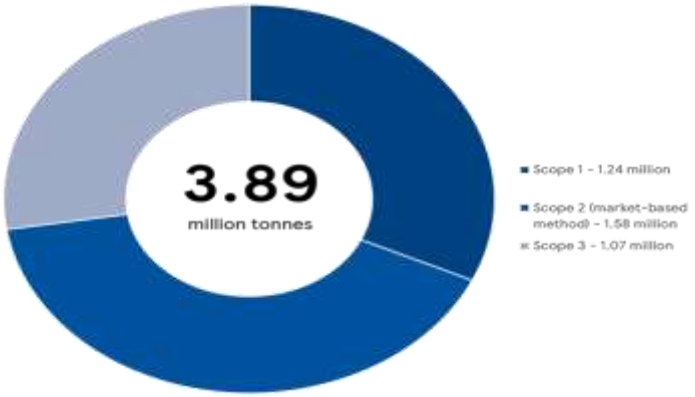


Figure 2: Total carbon dioxide (million tonnes of CO_2e) in Tesco 2016/2017

Source: Tesco - Our carbon footprint, https://www.tescoplc.com/tesco-and-society/sourcing-great-products/reducing-our-impact-on-the-environment/our-carbon-footprint/

Figure 3 shows sources of carbon dioxide emission throughout the value chain, with an emphasis on Tesco's participation in carbon footprint.

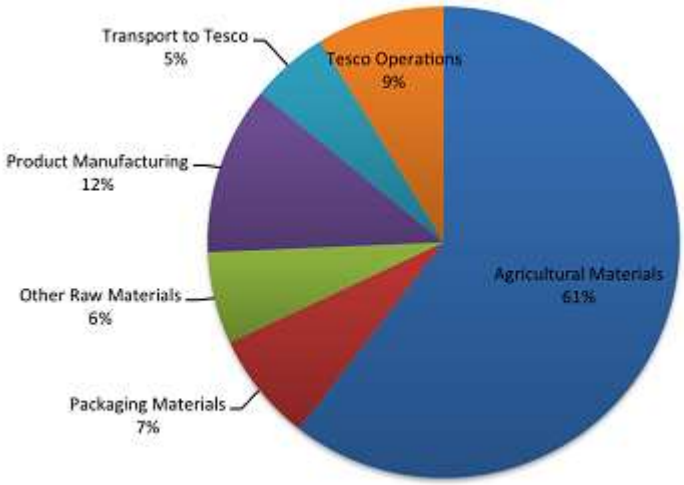


Figure 3. Emissions of carbon dioxide by source in Tesco

Source: Tesco - Our Carbon Footprint, https://www.tescoplc.com/tesco-and-society/sourcing-great-products/reducing-our-impact-on-the-environment/our-carbon-footprint/

Therefore, Tesco participated in total emission of carbon dioxide through entire value chain with 9%.Table 4 shows ecological performances at Tesco.

Table 4: Global ecological performances at Tesco

	2016/17	2015/16	2014/15	2013/14
Carbon dioxide (million ton CO_{2e})	3,9	5,1	5,26	-
Emission of CO_2 reduction (stores and distributional centres) compared to 2006/07	40,5%	39,5%	38,3%	-
Emission of CO_2 reduction (distribution) compared to 2011/12	19,7%	17.4%	14,47%	7,8%
Direct water consumption (million m^3)	23,5	25,5	32,6	32,9
Waste percentage (food and non-food) which is recycled, used again or turn into energy	93%	88%	84%	86%

Source: Reducing our impact on the environment,

https://www.tescoplc.com/tesco-and-society/sourcing-great-products/reducing-our-impact-on-the-environment/

Tesco has tendency to improve ecological performances (carbon dioxide emission reduction, direct water consumption reduction and waste treatment improvement). This reflects favourably on its market, economic and financial performances.

Due to the increasing importance, special attention is paid to carbon dioxide emissions in **Marks & Spencer (M & S)** (United Kingdom, Dominant Operating Format: Department Store), as shown in Table 5.

Table 5: Emission of carbon dioxide in Marks & Spencer

	Plan A baseline 2006/7 (000 tCO_{2e})	Legal baseline 2013/14 (000 tCO_{2e})	Last year 2014/15 (000 tCO_{2e})	2015/16 000 tCO_{2e}	Achievement in relation to 2006/7
Total gross/location-based emission CO_{2e}	732	567	592	566	-23%
Total carbon intensity measure (per 1000 sq ft of sales floor (ton CO_{2e}/1,000 sq ft)	46	30	30	29	-47%

Source: M & S Plan Report 2016,

http://annualreport.marksandspencer.com/M&S_PlanA_Report_2016.pdf

At Marks & Spencer, a decrease in carbon dioxide emissions was recorded in 2014/15 in relation to 2006/7. Reduction was achieved by improving energy efficiency using the so-called "green energy" through the whole value chain.

In **Kingfisher** (United Kingdom, Dominant operational format: Home improvement), significant attention is paid to carbon dioxide emissions. Table 6 shows the dynamics of greenhouse gas emissions at Kingfisher.

Table 6: Emission of greenhouse gases in Kingfisher (tons of CO_2e)

	2010/1	2013/14	2014/15	2015/16
Carbon footprint from fuel combustion and factories (scope 1)	157,590,10	164,172,96	146,806,65	156,062
Carbon footprint from electricity, heating and steam (scope 2)	247,774,97	230,759,93	258,392,29	246,775
Absolute carbon footprint (scope 1 and 2) (aimed at 25% reduction until 2020)	405,365,07	394,932,89	405,198,94	402,837
Carbon footprint per m^2 of sales area	61,00	56,27	53,26	51,9

Source: Kingfisher - Sustainability Report 15/16,

http://www.kingfisher.com/sustainability/files/reports/cr_report_2016/2016_Sustainability_Report.pdf

Company Kingfisher achieved a reduction of greenhouse gas emissions by 5% 2015/16 compared to 2010/11. Their goal is to achieve a reduction of up to 25% by 2020. Kingfisher has been decreasing greenhouse gas emissions from year to year.

In **IKEA** company (Sweden, Dominant operational format: Other Specialty) that operates with furniture, considerable attention is paid to improving the research methodology and the greenhouse gas emission control system. This is shown in Table 7.

Table 7: Emissions of carbon dioxide in IKEA, 2016

	FY2016
Carbon footprint (tonnes CO_2)	
Scope 1	209,484
Scope 2	621,932
Scope 3	39,161,131
Total	39,992,548
Carbon footprint at each stage of value chain (tonnes CO_2)	
Raw material	16, 562,759
Production and distribution	3,142,796
Suppliers (home furnishing and catalogue)	2,199,035
Goods transport	943,761
IKEA Group operations	1,020,366
Scope 1 and 2 from IKEA operations	831,416
Business travel	52,368
Co-worker commuting	136,582
Shopping centre tenants	172,373
Customers	18,162,615
Transportation to stores	3,480,107
Product use (light sources and appliances)	14,682,507
Products' "end of life"	931,639
Total	39,992,548

Source: IKEA Group - Sustainability Report FY16,

http://www.ikea.com/ms/en_US/img/ad_content/IKEA_Group_Sustainability_Report_FY16.pdf

Table 8 shows the efficiency of carbon footprint in IKEA.

Table 8: Carbon efficiency in the company IKEA

Carbon efficiency for Scope 1 and 2 emissions					
	FY10	FY14	FY15	FY16 (excluding IKEA centres)	FY16 (including IKEA centres)
Kg CO_2 per m^3 product sold	34,3	27,5	24,4	17,5	32,8
Carbon efficiency (% improvement against FY10 baselines)					
	FY10	FY14	FY15	FY16	FY20 goal
Retail		37,8	39,6	48,0	50
Distribution centres		51,2	54,1	58,2	50
IKEA Industry Group Divisions flat line and Solid Wood		18,3	30,9	71,0	50
IKEA Industry Group Division Board		3,0	18,7	36,4	50
IKEA components (base year FY13)		7,8	33,8	35,8	50
Total		19,8	28,9	49,0	50
IKEA Carbon footprint from consumed electricity in FY16					FY16
Consumed electricity (MWh)					3,008,893
Location based emissions (tonnes CO_2)					1,266,578
Market based emissions (tonnes CO_2)					578,551
Footprint reduction from using electricity from renewable sources (%)					54,3

Source: IKEA Group - Sustainability Report FY16,
http://www.ikea.com/ms/en_US/img/ad_content/IKEA_Group_Sustainability_Report_FY16.pdf

In IKEA, significant reduction in carbon footprint is achieved through the growing use of renewable energy. The share of renewable resources in the total consumption of electricity in IKEA year after year was as follows: FY14 - 40%, FY15 - 53.4% and FY16 - 71.0% (IKEA Group - Sustainability Report FY16, http://www.ikea.com/ms/en_US/img/ad_content/IKEA_Group_Sustainability_Report_FY16.pdf. Increased consumption of the so-called "green energy" has had a positive impact on the IKEA's environmental and overall performance.Also, company IKEA pays significant attention to improving the transport system (logistics) in order to reduce carbon dioxide emissions. This is shown in Table 9.

Table 9: Product transport efficiency (impact on carbon dioxide emissions) in IKEA

	FY14	FY15	FY16	FY20 goal
CO_2 per cubic meter of products transported	32,7	28,2	26,6	-
Reduction in CO_2 per cubic meter of products transported compared with FY11 (%)	12,3	24,4	26,7	30

Source: IKEA Group - Sustainability Report FY16,

http://www.ikea.com/ms/en_US/img/ad_content/IKEA_Group_Sustainability_Report_FY16.pdf

It is a general conclusion that IKEA has increased reduction of carbon dioxide emissions, which reflects favourably on its overall performance, in particular its environment.

At **H & M Group** (Sweden, Dominant operational format: Apparel/Footwear Specialty), considerable attention is paid to the reduction of carbon dioxide emissions. This is shown in Table 10.

Table 10: Carbon dioxide emission at H & M Group

	2012	2013	2014	2015	2016
Carbon emissions per million SEK sales turnover including VAT (constant exchange rate)	2,04t	2,05t	1,72t	0,69t	0,36t
Total CO_{2e} emissions to previous year in % (Scope 1 and 2) versus growth in sales (in local currencies)					
Net sales		9%	14%	11%	7%
Emissions		356,373t	341,675t	151,753t	80,54t

Note: SEC - Swedish crown

Source: The H & M Group sustainability report 2016,

http://sustainability.hm.com/content/dam/hm/about/documents/en/CSR/Report%202016/HM_group_SustainabilityReport_2016_FullReport_en.pdf

In 2016, H & M made a reduction of carbon dioxide emissions by 47% compared to 2015.

In **Inditex Group** (Spain, Dominant Operating Format: Apparel/Footwear Specialty), to which Zara also belongs, considerable attention is paid to research on carbon dioxide emissions and its reduction. This is shown in Table 11.

Table 11: Emission of greenhouse gases in Inditex

	2012	2013	2014	2015
Scope 1 (tCO_{2eq})	24,479	22,528	21,347	22,996
Scope 2 (tCO_{2eq})	589,758	627,982	666,188	622,879
Number of clothes sold on the market	869,167,058	948,745,988	1,018,995,911	1,177,784,343
CO_2 per item sold on market	706,70	685,65	674,72	548,38
Avoided emissions by using generators of thermal energy (tCO_{2eq})	NA	NA	NA	5,339,59
Scope 3 Downstream transportation (tCO_{2eq})	398,168	462,120	596,316	672,307
Scope 3 Upstream transportation (tCO_{2eq})	NA	NA	NA	42,258
Scope 3 Franchise stores (tCO_{2eq})	100,143	108,035	113,094	94,262

Note. NA - not available

Source: Inditex - Annual Report 2015

https://www.inditex.com/documents/10279/205236/Inditex+Annual+Report+2015+web.pdf/9979097b-9e63-489a-ad16-a141b6b665b4

Therefore, the result of efficient management is the reduction of carbon dioxide emissions in Inditex.

In 2015, **Carefour** (France, Dominant operational format: Hypermarket/Supercenter/Superstore) emitted 3.61 million tonnes of CO_2e. In 2015, carbon dioxide emissions were reduced by 29.7% compared to 2010. The aim is to achieve a reduction in carbon dioxide emissions by 40% until 2025 and 70% until 2050 (Unique and Multiple / 2015 Annual Activity and Responsible Commitment Report, http://www.carrefour.com/sites/default/files/carrefour_2015_annual_activity_and_responsible_commitment_report.pdf . This will have a positive impact on Careffour's environmental and overall performance.

Metro Group (Germany, Dominant operational format: Cash & Carry/Warehouse Club) regularly discloses reports on corporate responsibility, in which carbon dioxide emissions are represented in particular, as shown in the Table 12.

Table 12: Greenhouse gas emissions in Metro Group (tonnes of CO2e)

	Year of reference 2011	2013/14	2014/15	2015/16
Scope 1 – direct emission of greenhouse gasses	1,084,509	1,015,598	871,837	760,186
Scope 2 – indirect emission of greenhouse gasses	2,432,102	1,786,594	1,495,710	1,416,418
Scope 3 – other indirect emission of greenhouse gasses	6,113,122	5,562,362	5,151,775	4,589,161
Total emission of greenhouse gasses	9,629,733	8,364,553	7,519,322	6,765,764

Source: Metro Group - Corporate Responsibility Report 2015/16 - Key Performance

Indicators and Goals, https://www.metrogroup.de/.../reports/metro-group-corporate-responsibility-report-2015

Data in this table show that Metro Group reduces emissions of greenhouse gases from year to year. The intensity of carbon dioxide emissions is reduced from year after year (Figure 4). This reflects favourably on its overall performance, including environmental.

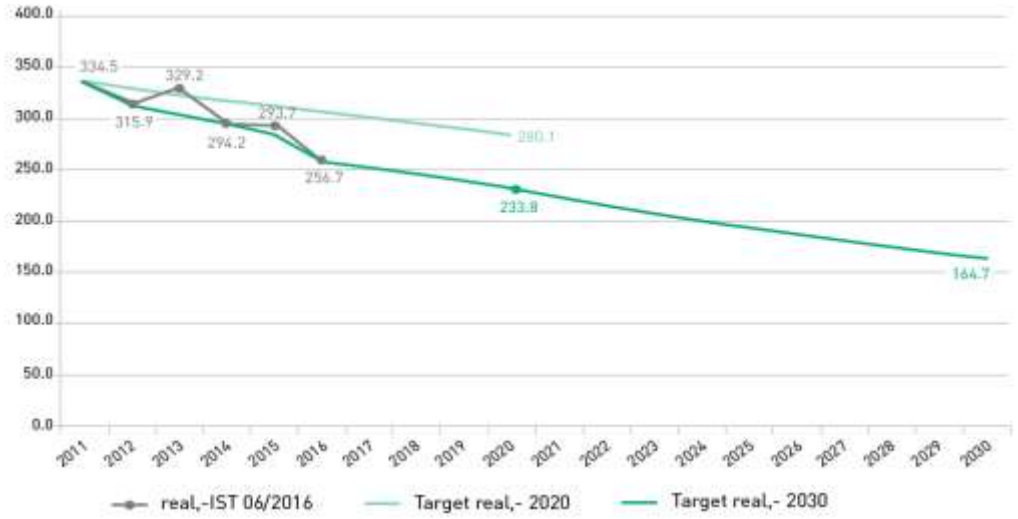


Figure 4: Emission of carbon dioxide in Metro Group ($kgCO_2/m^2$ of sales area (referring to total sales space 2,003,960 m^2)

Source: Metro Group - Corporate Responsibility Report 2015/16 - Key Performance Indicators and Goals, https://www.metrogroup.de/.../reports/metro-group-corporate-responsibility-report-2015

Aldi (Germany, Dominant operational format: Discount Store) also publishes reports on sustainable development, in which special attention is paid to the emission of carbon dioxide. Table 12 shows the greenhouse gas emissions at Aldi.

Table 12: Greenhouse gases emission in Aldi (tons CO_2e)

	2014	2015
Scope 1	284,831	312,940
Scope 2	369,961	567,424
Total	654,792	680,364

Source: Aldi - Sustainability Report 2015, https://www.cr-aldinord.com/2015/wp-content/uploads/sites/2/2016/04/ALDI_North_Group_NHB_Sustainability_Report_2015.pdf

At Aldi, greenhouse gases emissions by sectors (in percent) in 2015 were as follows: electricity 53.1%, cooling equipment 20.0%, heating energy 14.3% and logistics 12.6% (Aldi - Sustainability Report 2015, https://www.cr-aldinord.com/2015/wp-content/uploads/sites/2/2016/04/ALDI_North_Group_NHB_Sustainability_Report_2015.pdf.

In order to reduce greenhouse gas emissions, special attention is paid to the use of energy from renewable sources (LED lamps).

At **Ahold** (Germany, Dominant operational format: Supermarket), considerable attention is paid to the reduction of carbon dioxide emissions. This is shown in Table 13.

Table 13: Carbon dioxide emission at Ahold

	2008	2009	2010	2011	2012	2013	2014	2015
Carbon dioxide emissions (thousand tons)				2,176	2,106	2,107	2,090	2,019
Carbon dioxide emissions (kg CO_2/m^2 sales area)	567	574	543	507	480	473	465	420
Sources (%)								
Electricity								49%
Refrigerant appliances								29%
Fuel								12%
Gas								10%

Source: Ahold - Responsible Retailing Report 2015,

https://www.aholddelhaize.com/media/1934/ahold-responsible-retailing-report-2015.pdf

Carbon dioxide emissions at Ahold has been decreasing year after year.Since 2016, Ahold has been operating under the name of Ahold Delhaize. In view of this, Table 14 shows data on carbon dioxide emissions for Ahold Delhaize (Belgium, Dominant operational format: Supermarket) in 2016.

Table 14: Carbon dioxide emission at Ahold Delhaize

	2016 Actuals	2020 Target
% reduction in CO_2 equivalent emissions per m^2 of sales area (from 2008 baseline)	-22%	-30%
Total CO_2 equivalent emissions per m^2 of sales area – location-based approach	496	n/a
Total CO_2 equivalent emissions (thousand tonnes) – location-based approach	4,505	n/a
Total Scope 1 CO_2 equivalent emissions (thousand tonnes) – location-based approach	1,940	n/a
Total Scope 2 CO_2 equivalent emissions (thousand tonnes) – location-based approach	2,420	n/a
Total Scope 3 CO_2 equivalent emissions (thousand tonnes) – location-based approach	144	n/a
Offset CO_2 equivalent emissions (thousand tonnes)	241	n/a
Avoided grid electricity CO_2 emissions (thousand tonnes)	31	n/a

Source: Ahold Delhaize Supplementary report on Sustainable Retailing performance 2016,

https://www.aholddelhaize.com/media/3984/supplementary-report-on-sustainable-retailing-performance-2016.pdf

Significant reduction in carbon dioxide emissions by 2020 (30%) is expected at Ahold Delhaize. This will be achieved by using so-called "green energy" in business operations. Sources of carbon dioxide emissions were: electricity 60%, cooling devices 31% and transport 9% (Ahold Delhaize Supplementary Report on Sustainable Retailing performance 2016, https://www.aholddelhaize.com/media/3984/supplementary-report-on -sustainable-retailing-performance-2016.pdf .Delhaize Serbia is also part of Ahold Delhaize which employs the same sustainable development strategy and environment reporting as well as company at its higher organizational level.

In the **Fast Retailing** (Japan, Dominant Operating Format: Apparel/Footwear Specialty), exceptional attention is devoted to the issue of carbon dioxide emission reduction. Figure 5 shows carbon dioxide emissions through the entire value chain in Fast Retailing.

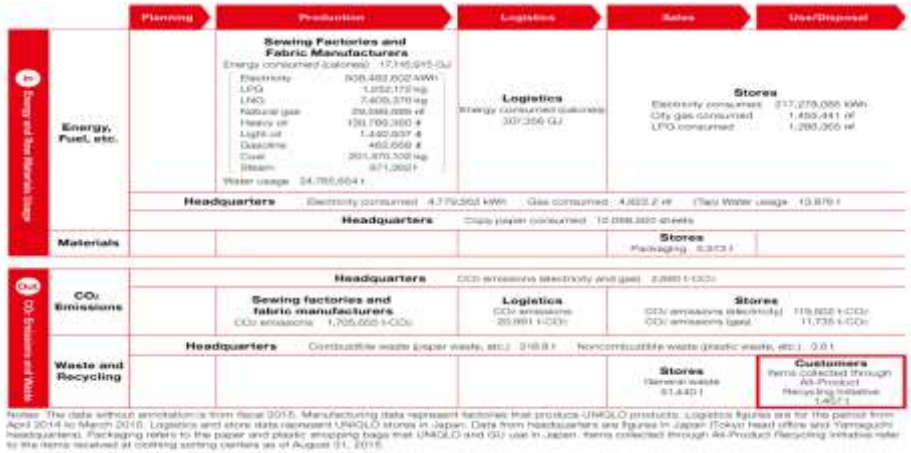


Figure 5: Sustainable reporting - Carbon dioxide emission through value chain in Fast Retailing

Source. Fast Retailing - Sustainability Report,

http://www.fastretailing.com/eng/sustainability/environment/co2_popup.html

In 2016, at Fast Retailing, carbon dioxide emissions amounted to 2,917,069 (tCO_{2e}). In logistics it was 17,707 (tCO_{2e}). Table 15 presents carbon dioxide emission (tCO_{2e}) in stores and management offices by sources (generators) at Fast Retailing for 2016.

Table 15: Carbon dioxide emission in stores and management according to sources (generators) at Fast Retailing for 2016 (tCO2e)

Store gas	11,436
HQ gas	38
Total Scope 1	11,474
Store electricity	123,932
HQ electricity	2,466
Total Scope 2	126,398

Source: Fast Retailing - Sustainability Report 2017,

http://www.fastretailing.com/eng/sustainability/report/pdf/sustainability2017_en.pdf#page=1&pagemode=thumbs&zoom=80

Fast Retailing plans to reduce carbon dioxide emissions in stores by 10% by 2020 (Fast Retailing - Sustainability Report 2017, http://www.fastretailing.com/eng/sustainability/report/pdf/sustainability2017_en.pdf#page=1&pagemode=thumbs&zoom=80.

For the purpose of more complex analyzes of greenhouse gas emissions by selected retailers, Table 16 shows the trend of greenhouse gas emissions for retailers in the United States and Great Britain.

Table 16: Trend of greenhouse gases in US and UK

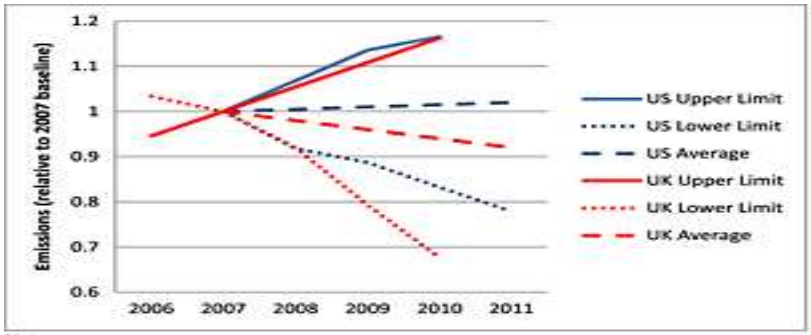
Company	Annual Change in GHG Emissions (%/year)
UK Retailers	
Asda	-3.67 (over 3 years)
Co-operative	-7.69 (4 years)
Marks and Spencer	-3.21 (4 years)
Morrisons	-2.22 (5 years)
Sainsbury's	-0.88 (5 years)
Tesco	+5.28 (4 years)
US Retailers	
Costco	5.23 (over 3 years)
Kroger	2.71 (5 years)
Lowe's	-2.11 (4 years)
Sears	-6.05 (4 years)
Target	0.98 (4 years)
Wal-Mart	2.19 (6 years)

Notes: a UK company based on Sullivan and Gouldson (2013).

b US company data based on company responses to the 2012 CDP survey

Source: Sullivan, (2016)

In order to have more comprehensive understanding on differences Figure 12 presents comparative analysis of the greenhouse gas emission of US and UK retailers for the period 2006-2011.



Notes:
1. See Table 2 for sources.
2. All data have been normalised against a 2007 baseline.
3. The UK and US Averages are arithmetic averages across the six UK and six US companies presented in Table 1. It has been assumed that these emissions have changed in a linear manner over the period 2007 to 2011.

Figure 6. Comparative trend of greenhouse gas emissions of US and UK retailers
Source: Sullivan, (2016)

As well as in Figure 6, the data in the given table show various annual changes in the greenhouse gas emissions between retailers UK and US. Thus, for example, in the UK, the highest annual positive percentage changes in greenhouse gas emissions are in Tesco (+5.28), and in US in the retailer Costco (5.23). Concerning the negative annual changes in the greenhouse gas emissions, the largest are in the UK in Cooperative (-7.69) and in the US in Sears (-6.05). The conclusion is that there is, to some extent, higher reduction in greenhouse gas emissions from retailers in the UK than in the US.

CARBON DIOXIDE EMISSIONS IN RETAIL COMPANIES OF SERBIA

In Serbia there is a significantly smaller number of (domestic) retailers who disclose sustainable development reports compared to other countries, with the expectation that this number will increase significantly in the future. In this regard, the company of the Naftna Industija Srbije (NIS) is leading and for or a long period of time, it has regularly published a sustainable development reports, compiled in accordance with the G4 Global Reporting Initiative (GRI) Guidelines. Table 17 shows the amount of air pollutants emitted in the Naftna Industija Srbije for 2014, 2015 and 2016.

Table 17: Amount of emitted air pollutants in Naftna Industija Srbije

	2014	2015	2016
Emission CO_2 (t)	1457	3464	3649
Emission NO_2 (t)	601	1064	905
Emission of powdery materials (t)	30	74	51

Source: NIS Sustainable Development Report 2015 an 2016

In Naftna Industija Srbije, appropriate measures are continuously being undertaken in order to reduce the emissions of greenhouse gases in the future.

CONCLUSION

A growing number of retailers in the world are increasingly publishing reports on sustainable development. By their reputation, and because of its importance, other retailers will certainly tend to publish this report in the future. It provides the basis for a comparative analysis of environmental performance in retail from various aspects. In this report, special significance is given to trend of greenhouse gas emissions, in particular, carbon dioxide.

Carbon dioxide emissions in trade, in total and by sectors, vary by country. It is significantly higher in China than in Europe or the European Union. Likewise, carbon dioxide emissions are significantly higher in trade of France, Germany and Great Britain than in Greece, Croatia, Turkey and Serbia. Carbon dioxide emissions are higher in Croatia's trade than in Serbian. These differences are due to the application of various ecological measures in business.

Carbon dioxide emissions differ in individual stages of the product life cycle, retail companies and product categories. Carbon dioxide emission generators in retail companies are: electricity, transport, ventilation, heating and cooking, refrigeration, and waste. The goal of all retailers is to take appropriate measures, primarily ecological in nature, to reach a planned reduction of carbon dioxide emissions in the future. Among other things, this is achieved with the increasing use of electricity from renewable sources (so-called "green energy"), by using modern ventilation, heating and cooking systems, refrigeration units, green logistics (ecological vehicles) and more efficient waste treatment. The effect of this is to improve the overall performance of retail companies, especially environmental.

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ORIGINAL SCIENTIFIC PAPER

The Analysis of Effect of Aspiration to Growth of Managers for SMEs Growth Case Study: Exporting Manufacturing SMEs in Iran

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ABSTRACT

The present paper seeks to examine the effect of aspiration to growth of managers on their behavior, which translates into business growth. Furthermore, the aspiration to growth of managers are investigated and the relationship between their aspiration to growth and their behavior (business growth) are examined within the framework of the theory of planned behavior. In order to form a clear understanding of aspiration to growth of managers and its effect on their behavior (business growth), the study reviews the literature related to the theory of planned behavior and business growth, with regards to the mediating variables. To this end, the selected exporting SMEs of Tehran Province were investigated and the data collected from the questionnaires and interviews with the managers of these firms were analyzed and interpreted.

The present paper reviews the existing literature on growth of small and medium-sized enterprises, theory of planned behavior as well as previous studies on business growth of small and medium-sized enterprises within the framework of planned behavior theory. The conceptual model of the research was compiled from the models of two previous studies. The mixed approach is implemented and the statistical population of the research comprises of the managers of exporting manufacturing SMEs. In qualitative section, data were analyzed using open codification technique and the PLS software package was utilized to conduct the quantitative data analysis.

Research confirms the aspiration to growth of a manager has direct positive effect on his behavior, namely business growth. Thus, the higher the aspiration to growth, the more growth the manager attains in his business. Because the increase of aspiration level pushes the manager to try harder to reach his goal, which in here is business growth. In this study, three effective factors on the aspiration to growth of managers were examined: personal characteristics of manager, business environment characteristics, and business characteristics. The relationship and the effect of these factors on the aspiration to growth of managers were analyzed.

The present paper greatly benefits managers, entrepreneurs, policymakers, experts, researchers and professors since it provides a deeper and clearer understanding of the factors effective on the aspiration to growth of managers of small and medium-sized enterprises which affect their behavior (business growth). This understanding could help influencing the factors effective on the aspiration to growth of managers and therefore speeding up the growth of SMEs.

This study adds up to the very limited number of research that are conducted on psychological factors effective on the growth of small and medium-sized enterprises influenced by the aspiration to growth of the business manager. This paper suggests the aspiration to growth of the manager positively affects business growth. Thus, the higher the aspiration to growth of the manager, the more growth the business enjoys.

KEY WORDS: *Growth of Small and Medium-Sized Enterprises, Planned Behavior, Aspiration to Growth, Exporting Manufacturing Small and Medium-Sized Enterprises*
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INTRODUCTION

In today's dynamic and fast growing economy, business growth has significant importance both from micro and macro-economic perspectives. Business growth and expansion are influenced by many factors and most studies on business growth have only examined the economic aspects of the factors affecting business growth. Paying attention to the stimulating effects of money and profitability on behavior and decision making is essential but it is important to note that they are not the only behavioral stimulants for business growth and probably they are not even the most significant ones (Shepherd and Wiklund, 2005).

Therefore, the present study attempts to analyze the internal and psychological factors that stimulate the aspirations of managers to grow their businesses. While it is very likely that small business managers have various motivations for business expansion, their capabilities for controlling the outcomes are also probably diverse. It means if two individuals have the same motivation for growing their businesses but one of them is more capable than the other, it is expected that the individual with more capability and control over the results should reach his desired outcome, namely business growth. Therefore, even though the motivation of a manager for business expansion could be a reason for business growth, this is just one side of the story and the capabilities of the manager in expanding the business and controlling the outcomes should also be considered (Shepherd, Wiklund, 2005). Thus, personal capabilities also play significant roles in the expansion of small and medium-sized businesses, and in order to reach a deeper understanding of the role of individual's motivation in business growth, both personal and organizational capabilities must be examined. The theory of planned behavior that was first proposed by Icek Ajzen, is a proven psychological theory that describes specific activities in specific domains. According to this theory, people have incomplete control over the outcome of their performance. This theory is based on an understanding of motivation which reveals the part a goal plays for an individual. If a goal is motivating, it will affect behavior and the individual will have high inclination to work hard and achieve the motivating goal. It is one of the basic principles of TPB that the stronger the intention for a behavior, the more is the likelihood of its performance (Ajzen, 1991). Goals planned according to attitude and mental norms can be predictive of behaviors (Sheperd, Wiklund, 2005). By examining the effect of aspiration to growth of managers on business growth level, the present research seeks to achieve a deeper understanding of the effect of personal motivations (aspiration to growth) on growth behavior (business growth). This study aims to form a complete understanding of the relationship between aspiration to growth of business managers and their behavior toward business growth with regards to the mediating variables that affect this relationship and by mentioning the theory of planned behavior. Then, the study presents the results of experiments based on the given relationships.

THEORETICAL FRAMEWORK, PREVIOUS STUDIES, AND HYPOTHESES

SMALL AND MEDIUM-SIZED ENTERPRISES

The extensive literature of small and medium-sized businesses has spawned various definitions for these entities based on their traditional, cultural and population structure and the level of development for different countries. Comparative study of this type of business in various countries reveals their numerous structural similarities. However, proposing a single definition for them is not possible. The European Union uses the following three criteria to define and identify small and medium-sized enterprises: number of employees, annual turnover, and the amount of assets and liabilities of the enterprise. Small and medium-sized enterprises have unique functions, including job

creation, distribution of wealth in society, development of marginal regions, supply of products required by countries, train human resources required by the large enterprises and industries (Langenberg, 2004). Research indicates that this type of enterprise has a six stage life cycle, through which one can predict their performance pattern in growth and profitability condition. Generally, in growth and profitability condition small and medium-sized enterprises outperform their larger counterparts. The decision making style of their managers and their strategy depends on the various stages of business life cycle and this way of thinking helps to enhance their business performance over time (Yazdanfar, Öhman, 2014).

EXPORTING SMALL AND MEDIUM-SIZED ENTERPRISES

The word "export" is defined as sending or shipping goods across national borders of a country (Kiani, Hasanvand, 1998). Also, export entails contacting and working with professional markets and market professionals overseas and is the starting point of establishing a contact with others (El-Gohary, Edwards, Huang, 2013). Developed countries pay special attention to enhance export activities since export could improve firm's performance, profitability, sales volume and market share. Managers of exporting firms could easily change their market direction and design appropriate market strategies to respond to the changes in the market (Haluk, 2008). Research suggests that most owners of small and medium-sized enterprises have limited knowledge of marketing and sales management. These enterprises adopt different methods to export; but in current conditions regarding the process of globalization, not only do they have to compete with local and national rivals, they need to be competitive on a global level if they ever wish to achieve success.

However, in practice the ability to carry out export activities depends on such factors as proper understanding of marketing in foreign environments, possessing the required resources to work on a global level, owning multilingual websites for communicating with the target customers, identifying legal and cultural barriers and having a full understanding of the industry of the business (Edwards, Huang, 2013).

Research indicates that Iranian firms do not have a lasting presence in export markets and therefore it is important for these firms to adopt long term export strategies. Besides, to be active in global markets, general and specialized Iranian exporting firms need to establish holdings and consult foreign advisors and attract foreign investments (Sadeghi, 2011).

BUSINESS GROWTH

Business growth is one of the most important discussions in business management since it is indicative of market acceptance and success of the firm (McMahon, 2013). Different studies have defined growth from various perspectives. In studies based on governmental policies, growth is defined as the increase in staff headcount and recruitment; but from the perspective of business owners and managers, growth means increased financial performance of the organization and is often expressed in financial figures and ratios (Robson, Bennett, 2000). In general, business growth means an increase in the size of an organization. Many studies consider growth as a (positive) change in financial turnover and staff headcount. Growth studies have often considered large firms and ventures and paid little attention to small firms since they often fail to reach growth stage. Prerequisites of growth for small and medium-sized enterprises are growth orientation of the entrepreneur, sufficient sources for growth and available market opportunities for growth (David Sun, 1991).

In his initial definition, Penrose defines growth as "an evolutionist process based on cumulative growth of collective knowledge" (Penrose, 1959). In this regard, Johnson (2009) is

interested in the methods of growth measurement. The two criteria often used for growth measurement are staff headcount and growth volume, of which the first one creates social interests and the second one managerial interests (Chanut, Gilles, 2014). In general, growth of the firms is evaluated in terms of management and development of new activities as well as serious reconsideration of company goals and problems (Littunen, Niittykangas, 2010). According to Davidsson and Wiklund (2000), the growth related studies include four main perspectives:

1. The resource based perspective;
2. The motivation perspective;
3. The strategic adoption perspective; and
4. The configuration perspective (Littunen, Niittykangas, 2010).

Davidsson and Wiklund (2000), believe the first three perspectives are related to the factors effective on growth while the forth perspective deals with the process of growth (Littunen, Niittykangas, 2010). The wide range of literature on the subject of life cycle indicates that companies grow and develop with unchanging and predictable methods (Littunen, Niittykangas, 2010).

Lastly, Wiklund et al. (2009) have formulated one of the most advanced integrated models to this date. Using internal and external factors, their model can explain 30% of growth. The attitude of the manager along with some environmental facts (dynamism, hostility and increased dynamism) have a direct effect on the growth of SMEs. Furthermore, resources, special environmental factors, attitudes and the industry also influence growth indirectly through entrepreneurial orientation of the company leader (Chanut, Gilles, 2014).

THEORY OF PLANNED BEHAVIOR

The theory of planned behavior is based on the theory of reasoned action. Theory of reasoned action is applicable to conditions where there is significant volitional control over behavior. In other words, the success of the theory of reasoned action depends on the degree of volitional control over behavior and once this control decreases (the individual is unable to perform the action despite existing behavioral intention), the theory loses its applicability. Ajzen et al. noticed this flaw and founded a new paradigm called the theory of planned behavior. Apart from the two factors of behavioral intention and volitional control both mentioned in the theory of reasoned action, the theory of planned behavior also includes a third factor called perceived control. In conditions where behavioral intention is enough to perform an action or when there is high volitional control over a behavior (the factors of reasoned action), the third factor (perceived action) becomes less strong. When attitudes and subjective norms remain constant, the difficulty level of performing an action will have strong effect on its intention. These three constructs have different relative weights in various societies and various behaviors (Gird, Bagraim, 2013). Of course there are numerous psychological theories that are being developed and focused on volitionally controlled behaviors and they all share a common feature: they model the behavioral outcomes as a dual function of motivation and individual capability. There are strong theoretical reasons to accept the influence of individual capability on the relationship between motivation and outcome (e.g. resource accessibility and necessary opportunities for the display of behavior). More specifically, the theory of planned behavior has been successful in predicting the other sub-group behaviors of volitional control. Therefore, with a deeper understanding of the effect of motivations on growth, one can benefit from simultaneous evaluation of resources and the accessibility of opportunities for growth (Wiklund, Shepherd, 2003). The role of intentions in this theory is central, since intentions determine the motivational factors that affect behavior. Intentions show signs of the individual's

work intensity and amount of planned efforts to produce behavior. As a general rule, the stronger the intention involved in a behavior, the more likely the behavior is to occur. Along with personal evaluations of behavioral control, intentions predict a range of behaviors (Wiklund, Shepherd, 2003). Attitude toward behavior is a result of how an individual evaluates the desirability of his behavior and what outcome he expects to receive as the feedback of his behavior (behavioral beliefs). Subjective norms refer to the social pressures perceived by the individual. These pressures are applied by key people in life to institutionalize specific behaviors (Ajzen, 1988). Behavioral control refers to the perception of the difficulty of performing that behavior; besides, existing deficiencies in personal perception and the external obstacles can hinder the ability to perform a behavior. Therefore, the perception an individual has of controlling his behavior before performing an action affects the results of his behavior. The foundation of the beliefs that lead to behavioral control are rooted in the past experience of an individual and his prediction of future obstacles (Ajzen, 1988).

THE RELATIONSHIP BETWEEN THE THEORY OF PLANNED BEHAVIOR AND BUSINESS GROWTH

In entrepreneurship literature, Sexton and Bowman (1991) argue that the motivation and aspiration to growth of managers or founders of small and medium-sized enterprises could cause a series of limitations to the growth of such businesses. While some of these businesses have significant growth potentials, the motivation of the manager could prevent the business from reaching the expected growth level and slow down the business growth rate. However, motivations and aspiration of the manager is not the only reason for growth limitation and the following factors could also limit the growth of small and medium-sized enterprises: inappropriate business environment, the mismatch between motivations and aspiration of the manager and his capabilities, and the deficiency of business resources. Therefore, this argument shows that in the model of planned behavior in which growth is a function of aspiration to growth, other factors such as market, entrepreneurial capabilities and abilities as well as organizational resources could also affect business growth (Shepherd, Wiklund, 2005). Studies indicate a relationship between some of the motivational patterns of the managers and founders of small and medium-sized entrepreneurial enterprises and the growth of their businesses. These motivational patterns include: need for power, need for success, and internal locus of control. These are the motivational characteristics of entrepreneurs; in other words, in a proper environment with abundant opportunities, entrepreneurs with such motivations tend to have higher chances of success. Studying the motivational factors of the managers of high growth and low growth businesses, Miner et al. (1994) identified manager's motivation for future planning of the business and innovation as the two critical factors resulting in the growth of high growth businesses (Shepherd, Wiklund, 2005). Furthermore, the effect of motivations on behavior is a function of the willingness of an individual to decide for acting toward the intended behavior as well as the possibility that the action to perform the behavior would lead to desired outcome. In other words, the control of an individual over his behavior affects the intensity of the relationship between aspiration and behavior. On the other hand, behavioral control is affected by individual' access to resources and opportunities for displaying the intended behavior (Wiklund, Shepherd, 2003).

Regarding the literature review, the following hypotheses are proposed:

H1: aspiration to growth of a business manager has a positive significant effect on his behavior (i.e. business growth).

H2: personal characteristics of a business manager have a positive significant effect on his aspiration to growth.

H3: business environment characteristics have a positive significant effect on aspiration to growth of the business manager.

H4: business characteristics have a positive significant effect on aspiration to growth of the business manager.

H5: the aspiration to growth of a manager has a positive significant effect on behavioral control variables that affect business growth.

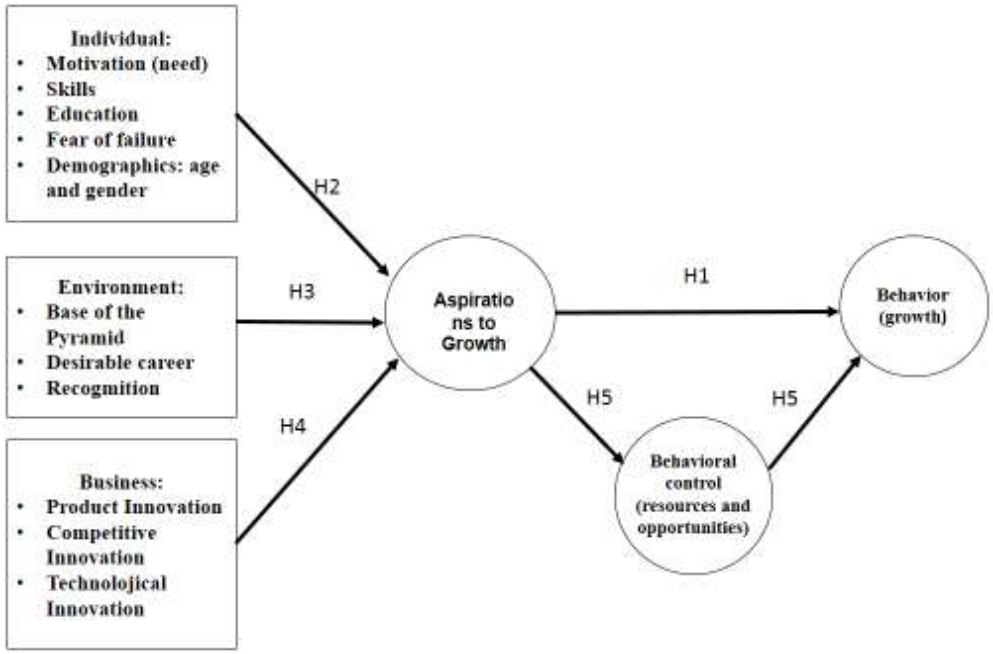

Figure 1: Conceptual Framework of the Study

Based on the above discussion, Fig. 1 shows the conceptual framework of the study which depicts the relationship between aspiration to growth of a business manager and his behavior toward business growth, and also shows how the components affecting aspiration to growth of the manager indirectly affect his behavior toward business growth and how behavioral moderating variables could accelerate or hinder growth. This conceptual framework employs Wiklund and Shepherd's model(Shepherd, Wiklund, 2005) in order to assess the direct relationship between aspiration to growth of the manager and his behavior toward business growth, and to determine the effect of behavioral moderating variables; also, to examine the effect of the components affective on aspiration to growth of the manager, a GEM study model has been used.

SELECTION OF THE VARIABLES, DATA COLLECTION AND DATA ANALYSES

SELECTION OF THE VARIABLES

The dependent variable in this study is the behavior of the manager toward business growth which could be described and measured using various methods. For Example, increase in the number of employees, market share, financial turnover, added value, sales, profitability

and the increase in the size of the business all imply business growth which results from the manager's behavior toward business growth (McMahon, 2013). Unlike previous studies, the present research examines the psychological factors (aspiration to growth of managers) that affect business growth.

In line with the previous studies (Shepherd, Wiklund, 2005), although there is a relationship between the aspiration to growth of a business manager and the real business growth, this relationship is complicated and depends on the manager's level of training and experience as well as the business environmental dynamism. The high level of the training and experience of the manager as well as the high dynamism of the business environment result in a positive relationship between aspiration to growth of the manager and the real business growth. To explain the nature of the relationship between growth motivation of the manager and the growth of the small business, this chapter emphasized the importance of the human capital of a small business manager, accessibility to financial resources and business environmental dynamism.

SAMPLE, DATA COLLECTION AND DATA ANALYSES

In terms of purpose, this study is an applied research; and in terms of conduct, it is a mixed method (qualitative – quantitative) research. The required data were gathered through design and distribution of questionnaire, then the theoretical framework of the research was tested and the factors were prioritized.

The statistical population of the study includes the following two groups:

Group 1: High growth exporting manufacturing firms – selected exporting manufacturing firms in the province of Tehran that met one or more criteria of growth. Deep interviews were conducted with 6 manager of manufacturing firms until data saturation was reached.

Group 2: Exporting manufacturing firms without considering growth level – in this stage of sampling, in order to test the results from the previous stage, regardless of any criteria, the study questionnaires were sent randomly to exporting manufacturing firms in the province of Tehran.

To determine the sample size in stage 1, sampling continued to the point of saturation, and in stage 2 a total of 100 exporting manufacturing firms in the province of Tehran were randomly selected.

Convenience sampling is the sampling technique used in the present study and to identify factors and motivations effective on business growth, semi-structured interviews were conducted with the managers of the selected exporting manufacturing firms.

DISTRIBUTION OF THE QUESTIONS INSIDE QUESTIONNAIRE

Table 1: The Distribution of the Questions inside Questionnaire

Question No.	Issue Examined
1,2,3,4,16	Type and level of growth and the factors affecting growth
5,6,7,8	Challenges and obstacles on the way to growth
8	Growth challenges on a new path
10,11	Level of satisfaction from the growth of business and revenue
28,12,27,29,30,33	Level of challenge acceptance, types of challenges and overcoming challenges
13	Factors effective on risk taking
14	Level of using skills and energy
18,19	Level of independence and impressionability of the manager in decision making
21,22	New goals for future growth of the business
23,33	Methods of opportunity recognition
23,24	Level of cooperation of other organization members for growth
25,26	The effect of economic and political conditions on growth

Table 2: Interviewees

Company Name	Position of the Interviewee	Experience
Iran Boress Co.	CEO	38 years of experience as a manager and 20 years at the previous position
Chemie Ma-dani Hamadan Co. (CMHCO)	CEO	30 years of experience as a manager
Sanaye Varagh Iran Co.	CEO	34 years of experience as a manager
Vanda	CEO	15 years of experience as a manager
Khorram Paint Brush Production Co.	CEO	10 years of experience as a manager
Kaleh Co.	CEO	40 years of experience as a manager

The questionnaire in the present study is designed by the researcher based on interview results and with the help of the professors and the experts.

STUDY VARIABLES

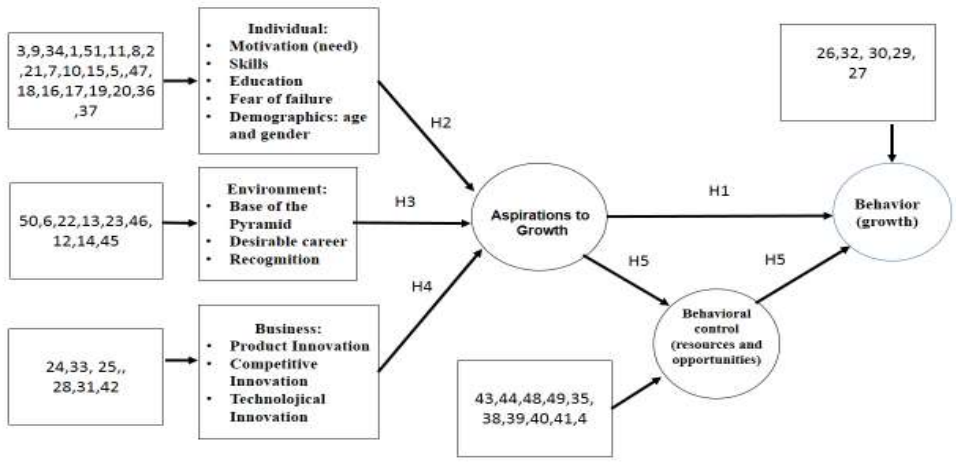

Figure 2:Division of Questions inside the Questionnaire Based the on Conceptual Framework

Figure 2. shows separately which questions in the questionnaire evaluate which elements in the conceptual framework

EMPIRICAL RESULTS

DEMOGRAPHIC CHARACTERISTICS OF SUBJECTS

Age of the Managers

The distribution and frequency of the age of managers, which is one of the demographic characteristics, are shown separately in the table below.

Table 3: Age of the Managers

Age	Frequency	Percentage	Valid Percentage	Cumulative Percentage
30 or less	11	15.9	15.9	15.9
30 – 35	7	10.1	10.1	26.1
35 – 40	15	21.7	21.7	47.8
40 – 45	13	18.8	18.8	66.7
45 or more	23	33.3	33.3	100.0
Total	69	100.0	100.0	

EDUCATION LEVEL OF THE PARTICIPANTS

The table below compares the frequency of study participants based on their education level.

Table 4: Education Level of the Participants

Level of Education	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Undergraduate	41	59.4	59.4	59.4
Graduate	24	34.8	34.8	94.2
PhD and above	4	5.8	5.8	100.0
Total	69	100.0	100.0	

WORK EXPERIENCE OF THE PARTICIPANTS

The table below compares the frequency of the subjects based on their work experience.

Table 5:Work Experience of the Participants

Work Experience	Frequency	Percentage	Valid Percentage	Cumulative Percentage
5 years or less	4	5.8	5.8	5.8
5 – 10 years	12	17.4	17.4	23.2
10 – 15 years	8	11.6	11.6	34.8
15 – 20 years	16	23.2	23.2	58.0
20 years or more	29	42.0	42.0	100.0
Total	69	100.0	100.0	

MANAGERIAL WORK EXPERIENCE OF THE PARTICIPANTS

The table below compares the frequency of the subjects based on their Managerial Work Experience.

Table 6: Managerial Work Experience of the Participants

Managerial Work Experience	Frequency	Percentage	Valid Percentage	Cumulative Percentage
5 years or less	20	29.0	30.8	30.8
5 – 10 years	15	21.7	23.1	53.8
10 – 15 years	8	11.6	12.3	66.2
15 – 20 years	13	18.8	20.0	86.2
20 years or more	9	13.0	13.8	100.0
Total answered	65	94.2	100.0	
Unanswered	4	5.8		
Total	69	100.0		

BUSINESS LAUNCH EXPERIENCE

The table below compares the frequency of the subjects based on their business launch experience.

Table 7: Business Launch Experience of the Participants

Business Launch Experience	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Without business launch experience	30	43.5	43.5	43.5
One business	12	17.4	17.4	60.9
More than one business	27	39.1	39.1	100.0
Total	69	100.0	100.0	

DESCRIPTIVE INDICES OF STUDY VARIABLES

The descriptive indices of study variables are presented in the table below. This table shows the frequency of the answers and the maximum score given by the participants to each questionnaire statement. To determine the central tendency of the scores, the mean index for each statement is calculated and the standard deviation index is used to determine the frequency of the scores.

In terms of purpose, this study is an applied research; and in terms of conduct, it is a mixed method (qualitative – quantitative) research. The required data were gathered through design and distribution of questionnaire, then the theoretical framework of the research was tested and the factors were prioritized. The statistical population of the study is divided in two groups. The first group were the selected exporting manufacturing firms in the province of Tehran that met one or more criteria of growth and deep interviews were conducted with 6 manager of exporting manufacturing firms until data saturation was reached. In the second stage of sampling, in order to test the results from the previous stage, regardless of any criteria, a number of exporting manufacturing firms in the province of Tehran were randomly selected using the questionnaire tool.

VALIDITY AND RELIABILITY OF THE MEASUREMENT TOOL

THE RELIABILITY ANALYSIS OF MEASURES AND CONSTRUCTS

To determine the reliability of measures in PLS, we calculate their factor loadings. This criterion shows the correlation of these measures in the associated construct. According to Hulland (1999) the minimum acceptable loading value for each measure is 0.4 and the measures with less loading values should be eliminated from the testing process (Hulland, 1999). To determine the reliability of the constructs, Cronbach's Alpha index and Composite Reliability index are used. The table below, presents these indices for each construct in the study:

Table 8: The Reliability of the Constructs (The Final Model)

Construct	Composite Reliability	Cronbach's Alpha
BControl	0.840	0.762
Business	0.819	0.667
Environment	0.854	0.783
Behavior	0.831	0.721
Aspiration	0.896	0.867
Aspiration	0.838	0.759

Statistical research references believe the minimum acceptable value for Cronbach's Alpha is 0.6 (Moss et al., 1998) and the minimum acceptable value for Composite Reliability index is 0.707 (Chin, 1998). As shown in the table above, all of the study constructs meet these requirements and are even well beyond those minimum values. Therefore, the reliability of study constructs is supported.

CONVERGENT VALIDITY OF STUDY CONSTRUCTS

According to Chin (1998) Average Variance Extracted is a proper index to determine the convergent validity of study constructs. He believes the minimum acceptable value for this coefficient is 0.5 (Chin, 1998). Examining this index among study constructs shows that for all the constructs in this study, the value of this index is much higher than the mentioned threshold and therefore, in terms of convergent validity, the constructs of the study are in very good shape. The details of this analysis is given in the table below.

Table 9: Convergent Validity of Study Constructs

Construct	AVE
BControl	0.520
Business	0.603
Environment	0.537
Behavior	0.623
Aspiration	0.520
Aspiration	0.511

DISCRIMINANT VALIDITY OF STUDY CONSTRUCTS

As maintained by Akin et al (2009), measures chosen to explain a specific variable must only explain that variable. To this end, the square root of average variance extracted for each construct is compared to the inter-construct correlation coefficients (Akin et sl., 2009). The table below shows this comparison for the constructs of the present study:

Table 10: Discriminant Validity of Study Constructs

	BControl	Business	Environment	Behavior	Aspiration	Aspiration
BControl	0.721					
Business	0.571	0.776				
Environment	0.496	0.653	0.732			
Behavior	0/511	0.441	0.382	0.788		
Aspiration	0/563	0.716	0.674	0.439	0.721	
Aspiration	-0.449	-0.560	-0.666	-0.291	-0.627	0.714

Because the square root of average variance extracted for all constructs are higher compared to the correlation of that construct with other constructs of the study, discriminant validity is supported for all of the study constructs.

RESEARCH FINDINGS

By applying the theory of planned behavior on business growth, the present research seeks to achieve a deeper understanding of the effect of personal motivations (aspiration to growth of managers) on their growth behavior (business growth). By discussing the theory of planned behavior, this study aims to identify the relationship between aspiration to growth of business managers and their behavior toward business growth with regards to the mediating variables that affect this relationship and by mentioning the theory of planned behavior. Then, the study presents the results of experiments based on the given relationships.

The descriptive indices for the study variables include the frequency of the statements, the minimum and maximum scores given by the respondents to each statement, to determine the central tendency of the scores the mean index for each statement is calculated and the standard deviation index is used to determine the frequency of the scores. In the next stage of data analysis, the distribution of the scores of the variables are examined in terms of normality, since normal distribution is an essential requirement to use parametric approach in data analysis. If the distribution of the scores of the variables are not normal, one should use non-parametric approaches and other proper methods for data analysis. To determine the distribution of variables in this study, the two tests of Kolmogorov-Smirnov and Shapiro-Wilk are used simultaneously. Because the significance level for all the variables in both tests are equal to 0.00 and smaller than 0.05, the zero hypothesis (the normality of the distribution) is rejected and its negation is supported for all the variables. In other words, these variables could not be considered to have normal distributions. Therefore, the data of the present model and the hypotheses of the study must not be analyzed with parametric statistical assumptions and one must implement the proper approach to deal with such data.

Table 11: Summary Results of Hypotheses Testing

Hypothesis	Descriptions	Rejection/Acceptance of the Hypothesis
1 – Aspiration to growth of a business manager has a positive significant effect on his behavior (i.e. business growth).	Aspiration has a positive (γ=0/439) significant (T=6/857, <1/96) effect on behavior (business growth) and the main study hypothesis is supported.	Accepted
2 - Personal characteristics of a business manager have a positive significant effect on his aspiration to growth.	Personal characteristics have a positive (γ=0.034) significant (T=3/757, <1/96) effect on the aspiration to growth of a manager and the second study hypothesis is supported.	Accepted
3 - Business environment characteristics have a positive significant effect on aspiration to growth of the business manager.	Business environment characteristics have a positive (γ=0/639) significant (T=21/678, <1/96) effect on aspiration to growth of the manager and the third study hypothesis is supported.	Accepted

4 - Business characteristics have a positive significant effect on aspiration to growth of the business manager.	Business characteristics have a positive (γ=0/420) significant (T=14/548, <1/96) effect on aspiration to growth of the manager and the fourth study hypothesis is supported.	Accepted
5 - The aspiration to growth of a manager has a positive significant effect on behavioral control variables that affect business growth.	The aspiration to growth of a manager has a positive (γ=0/564) significant (T=9/772, <1/96) effect on behavioral control variables and the fifth study hypothesis is supported.	Accepted

CONCLUSION

Based on the study hypotheses and the results of the questionnaire data analysis, it is evident that the aspiration to growth of a manager has direct positive effect on his behavior toward business growth. Thus, the higher the aspiration to growth, the more growth the manager attains in his business. Because the increase of aspiration level pushes the manager to try harder to reach his goal, which in here is business growth. In this study, three effective factors on the aspiration to growth of managers were examined: personal characteristics of manager, business environment characteristics, and business characteristics. Regarding the personal characteristics of manager which affect his aspiration to business growth, it was found that managers with higher levels of education and more experience in launching and managing businesses have higher motivations to grow their own businesses. Besides, those managers with higher levels of skills required for business growth, those who are more risk taking and those who possess higher human and social capital, have shown more aspiration to grow their own businesses and this aspiration has affected their behavior toward business growth and therefore they have achieved more and faster growth in their businesses (compared to those managers who have lower levels of these characteristics). Regarding the business environment characteristics, those managers who have their businesses in proper environments have shown higher aspirations to grow their businesses compared to those who did not enjoy such environmental desirability. Here environmental desirability refers to environmental dynamism, level of environmental friendliness, the existence of supporting policies and the level of business specialty in relation to the environment. It also entails the level of professional practice of the business within the environment, possession of high competitive advantage in relation to brand power, technology level and human and social capital. This aspiration to growth affects the behavior of managers toward business growth and therefore they achieve more and faster growth in their businesses. The findings of this research suggests that the factor of environment characteristics has more effect on the aspiration to growth of managers compared to the other two factors of personal and business characteristics.

The findings of the present research supports the previous studies. Those studies indicated that although there is a relationship between the aspiration to growth of a business manager and the real business growth, this relationship is complicated and depends on the manager's level of training and experience as well as the business environmental dynamism. The high level of the training and experience of the manager as well as the high dynamism of the business environment result in a positive relationship between aspiration to growth of the manager and the real business growth. To explain the nature of the relationship between growth motivation of the manager and the growth of the small business, this chapter emphasized the importance of the human capital of a small business manager, accessibility to financial resources and business environmental dynamism (Shepherd , Wiklund, 2005). The overall findings of the study suggest that the managers of small and medium-sized enterprises who have higher aspirations to grow their businesses achieve higher levels of business growth; however, human capital (higher levels of education and specific experience in relation to business launch and management), manager's motivations for growth, the skill level of managers and employees, the level of risk taking of the manager, environmental desirability, the level of professional practice within the environment, as well as possessing enough knowledge and expertise could increase the aspiration to growth of a manager toward reaching higher levels of business growth.

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ORIGINAL SCIENTIFIC PAPER

Customer Service Quality Management in Public Transport: The Case of Rail Transport in Tanzania

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ABSTRACT

The main objective of the study was to assess customer service quality management by taking into account the factors affecting the service quality in rail transport sector. To achieve the study objectives, we use descriptive statistics and regression analysis. We adopted a dual pronged view of internal customers (employees) and external customers (clients) by focusing on the skills and qualifications of customer contact personnel in service encounters, incentives, staff training, working tools and other operational facilities. For the case of external customers, quality service dimensions as synthesized in SERVQUAL model were used.

The results show that customers' expectations of service quality are accurately predicted by service providers along each of the service quality dimensions except the reliability dimension. This shows that there is a gap between service delivered and external communication of rail transport services and this difference is related to the performance of the promised service accurately and dependably. This gap seemed to be attributed to by the shortage of working tools, aging equipments and other operational facilities on the part of customer contact personnel thereby distracting clients in assessing rail transport services and thus creating the difference on what is expected by clients and what is really provided by service providers. Thus, the study recommends incorporating total quality management in the delivery of rail transport services. Working tools and other operational facilities should be provided to employees in order to enhance performance and job satisfaction. Employees particularly the customer contact personnel should be regularly trained to keep them abreast with current trends in clients handling techniques consistent to meeting their requirements and wants. Drawing lessons from other competitors like what is happening in road transport or air transport will help setting quality standards.

KEY WORDS: *Customer Service Quality Management, Quality Service, SERVQUAL, Quality Gap*

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INTRODUCTION

Today due to embracing globalization and trade liberalization policies in the world, the business environment has become more competitive. Customers on the other hand are more alert and conscious of the prevailing business environment; as a result they tend to prioritize quality in determining where to acquire a certain service or where a certain product is to be bought. This in turn has necessitated putting quality at the centre in the delivery of services in both public and private organizations. However, according to Anable (2005) and Oliver (1981), many public sector organizations including transportation services are created by governments with an intention not to compete in the open market, instead their objective is to fulfill the needs of the common public. In contrast to this earlier view, Behwal (2010) and Dridi *et al* (2005) argue that public transport services, must follow regular schedules, be safe and rapid, guarantee high service quality, utilize resources efficiently and meet users' need. Thus in order to keep and attract more customers and fulfill their needs, public transport must have high service quality to satisfy and meet a wider range of customers' needs. Nashappi *et al* (2014), state that service providers who are unable to effectively cater to the needs and wants of customers, are risking not only by losing dissatisfied customers to competitors, but also an ultimate erosion of profits and consequently failure.

Rail transport can be one of the most reliable means of transportation for both passengers and traffic in developing countries. This is because it is relatively cheaper, convenient and can cater the needs of the poor people. According to African Development Bank report (2015), rail transport as a result of its energy efficiency, reduced greenhouse gas emissions and lower cost per ton kilometer, is expected to play an increasingly important role in the conveyance of freight over long distances. In comparison to other means of transportation, railways are particularly useful in mass transit systems for both inter-city and urban settings. Olievschi (2013) argues that increasing the volumes of traffic is not sufficient to make a railway system financially viable, it is also necessary to make it competitive. This means providing quality transport services (price, speed, availability, punctuality, etc) which are ultimately superior to the competition; only then can railway systems become an attractive option for shifting part of the existing road traffic to rail, or for putting on rail the new volumes of freight generated by the economic development of the countries.

Tanzania enjoys two forms of railway transport systems with a total of 3676 kilometers of railway lines. One is run jointly between Tanzania and Zambia (Tanzania and Zambia Railway Authority-TAZARA) and the other one is owned and run by United Republic of Tanzania, namely the Tanzania Railway Corporation (TRC). TAZARA line is 1860 kilometers in length, of which 975 kilometers is in Tanzania and 885 kilometers in Zambia. It is handling cargo for the countries of Malawi, Zambia, Zimbabwe and Democratic Republic of Congo. The mainline of TRC comprises the central corridor between the port of Dar-Es-salaam in the east, linking central and western areas of the country and terminating at Kigoma on Lake Tanganyika in the west. It handles cargo for landlocked countries of Burundi, Rwanda, and eastern part of People's Republic of Congo. Railway transport is the second most important mode of transport after road and is critical for long distance freight along the main transport corridors. However, recently the performance of railway transport has not been impressive and since railway transport is run by government organizations in many developing countries, there are concerns over neglecting the concept of total quality management in their day to day operations, a factor which to some extent deters clients from using railway transportation systems. Therefore, this paper is set to take stock the services offered by railway transport in light of customer service quality management and fills the study gap that exists in Tanzania.

OBJECTIVES OF THE STUDY

The overall objective of the study is to assess customer service quality management in public transport. The specific objectives of the study were:

1. To examine the customer service satisfaction or dissatisfaction
2. To assess quality management systems
3. To determine the problems facing rail transport customers

RESEARCH QUESTIONS

1. What factors are responsible for quality service shortfalls?
2. What is the gap between customer expectations and management perception of customers' expectation?
3. Are service quality specifications different from the actual service delivered?

RESEARCH HYPOTHESIS

H_0= There is no positive relationship between service quality dimensions and clients satisfaction

H_1= There is a positive relationship between service quality dimensions and clients satisfaction

LITERATURE REVIEW

Service have been defined as originally intangible and relatively quickly perishable activities whose buying take place in an interaction process aimed at creating customer satisfaction but during this interactive consumption this does not always lead to material possession (Kasper *et al,* 1990). Ramaswamy (1996), described service as business transactions that take place between a donor (services provider) and receiver (customer) in order to produce an outcome that satisfies the customers. While Gronroos (1990), pointed out that a service is an activity or series of activities of more or less intangible nature that normally, but not necessary, take place in interaction between customer and service employees and or service provider, which are provided as solutions to customer problems. On the other hand, Lahtinem (1983) defines service quality as a results from a comparison of what customer feel service provider should offer (expectation) with provider actual performance. Parasiraman, Zeitham, and Berry (1985) viewed quality as "the degree and direction of discrepancy between customers' services perception and expectations while Denton (1996:91) defines service quality, as a one, which is measured by the different between the expectation of customer and customer perceived level of service delivered.

Provision of quality service to customers has become of focus of many organizations. Customer satisfaction is recognized as being of paramount importance for the existence of any organization. Eboli and Mazulla (2007) investigated service quality attributes important for customer satisfaction with a bus transit service in Cosenza, Italia. According to them, respondent were asked to rate the importance and satisfaction with 16 service quality attributes (bus stop availability, route characteristic, frequency, reliability, bus stop furniture, bus overcrowding, cleanliness, cost, information, promotion, safety on board(drivers character), personal security, personnel, complains and its handling, environmental protection and bus stop maintenance). According to the result of the research customers' satisfaction is closely related with transport service planning which is reflected in reliability, frequency, information, promotion, personnel and complaint. Rasheed (2016), states that excellent service affects the retention of existing customers and inducement of new customers. As a result, it brings high

customer retention and satisfaction that helps them for sustainable development of the company. Traditionally, the performance indicators for public transport are divided into two categories: efficiency and effectiveness. Under the efficiency category, the measures are concerned with the process that produce the services while the effectiveness category are used to determine how well the services provided are with respect to the objectives that are set for them (Pullen,1993). William and James (1995) in understanding service management discussed the benefits of customer care by saying that with a focus on customer care organization can expect a number of benefits, which are:

- Customer loyalty through satisfaction. Look after present customers can generate attraction of few customers through positive word of mouth communication, Customer retention is more cost effective than trying to attract new customers cost savings also accrue from getting things right at the first time (Glynn. 1995:60)
- Increased opportunities for cross selling. Comprehensive and up to date product knowledge and sales techniques among employees, combined with developing relationship and rapport with customers, enables staff to identity customer needs and suggest relevant product/service.
- Employee benefit which may be seen in terms of job satisfaction and moral and commitment to the company, successful employee/employer relationships and increased staff royalty which contribute to reducing the rate of staff turnover and associated costs of recruitment selection and train activities. Committed and competent employees will also make fewer mistakes and in turn lead to fewer customer complaints and so contribute to further cost saving.

DIMENSIONS OF SERVICE QUALITY

To understand service quality, there is an array of factors or determinants. A number of researchers have provided lists of quality determinants. Parasuraman *et al* (1985), in their research confirmed that both outcome and process dimensions influence customers' evaluation of service quality. The common pattern of response from the focus group interviews revealed 10 key evaluation criteria that customers might use, regardless of the type of service sector. The following are the set of service quality dimensions.

1. Tangible, Are the appearance of the physical facilities, equipment personnel and communication personnel
2. Reliability, Is the ability to perform the promised service dependably and accurately
3. Responsiveness, Are the willingness to help the customers and provide prompt service.
4. Competence, Possession of the required skill and knowledge of contact personnel.
5. Courtesy, Politeness, respect, consideration friendliness of contact personnel.
6. Credibility, Trustworthiness, believability and honesty.
7. Security, Freedom from dangers, risk or doubt.
8. Access, Approachability and easy of contact.
9. Communication, keeping customer informed in the language they understand listen to them.
10. Understanding the customer, making the effort to the customer and their needs.

However, the best known determinants emanate from Parasuraman and colleagues from USA, who found five dimensions of service quality namely Tangibles, Reliability, Responsiveness, Assurance and Empathy and used these as the basis for their service quality measurement instrument, SERVQUAL (Parasuraman *et al* 1988; Zeithaml *et al*, 1990).

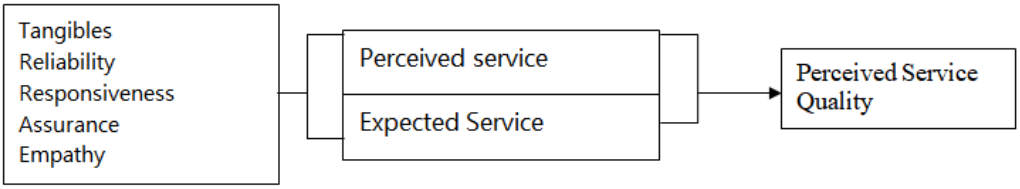

Figure 1: Dimensions of Service Quality

Source: Adapted from Parasuraman et al. (1988)

SERVICE QUALITY GAP

Quality of service is measured by difference between expectations of the customer on the one hand and the customer perceived level of service delivered on the other hand, the gap between two points represents the size of service problem. Feedback from the customer is necessary for maintaining or improving the quality of service being delivered. Deviation or service problem could occur because of the following reasons;

- Service standard may be too high to be achieved, in which case the standards need to be changed.
- The personnel may not be in position to deliver the required service because they were not trained properly. If the front line service provided are not properly trained or qualified to do the job then the service performance standard cannot be met.
- It could be the neglect of service provider, it is possible to train and motivate service providers
- Could occur because the service provider could notify too late about the services needed by customer.

Kotler (1997) identified five gaps of service quality that cause unsuccessful service delivery, these are;

- A gap between the customer expectation and management perceptions. Here management does not always receive correctly what customer want.
- A gap between management perception and service quality specification. Here management might correctly perceive the customer want but do not set specific performance standards.
- A gap between service quality specification and actual service delivered. Here the personnel might be poorly trained or incapable of, or unwilling to meet the standard or they may be held to conflicting standards.
- A gap between perceived service and expected service. This gap occurs when customer misperceives quality.

In order to address quality service gaps in a company/organization, internal marketing is key. Internal marketing signifies the work done by the company to train and motivate the employees to save the customers. The company must treat the employees as the first customers by training the so as to be able and willing to deliver desired level of service to their external customers. Also organization should carry out research among employees to identify their needs and attitude with respect to working conditions benefits and company policies this research will motivate the employees by giving them rewards and fringe benefits i.e. cafeteria benefit, health insurance, pension, housing etc. This means, satisfying the needs of internal customers upgrade the capability to satisfy the needs of external customers. Groonroos (1985), outlined three objectives of internal marketing which are as follows;

- Overall- To achieve motivated customer conscious and care oriented personnel
- Strategies- To create an internal environment that supports customer consciousness and sales mindless among personnel
- Tactical- To sale service campaigns and marketing phase efforts of the company via staff training programs and seminars

MANAGING SERVICE QUALITY

Kotel (1991:463) states that one of the major ways to differentiate a service firm is to deliver consistently higher quality service than competitors. The key is to meet or exceed the target customer service quality expectations. Customer satisfaction are formed by their past experiences, word of mouth and service firm advertising. The customer choose service provider on this base and after receiving the service compare the perceived service with expected service. If the perceived service falls below the expected service, customers lose interest in the provider. As a result, companies find that effectively handling customers with problem is critical to their reputations as well as their bottom lines. When customer complains and they are satisfied with the way their complaints are handled, they are more likely to purchase another product or service from the same company. Kotler P (1997:481), States that studies of customer dissatisfaction show that customer are dissatisfied with their purchases about 25% of the time, only 5% complain and the rest either feel that is not worth to complain or that they do not know to whom to complain. For all these reasons companies should need to develop a service recovery program. As a first step, companies should make easy for dissatisfied and complain. They should provide suggestions and complaints form. Second, the company should empower the employees. Employees who receive complaints must be trained and empowered to resolve customer problems speedily and satisfactorily. Studies show that the faster the company responds to the complaints, the higher the customers' satisfaction with the company. Third the company should go beyond satisfying particular customers to discovering and correcting the roots cause of the frequent problems. By studying the Patten of complaints the company can correct system failures that give raise to these complaints.

METHODOLOGY

This study uses descriptive statistics and regression analysis. To achieve the study objectives we make internal and external customers analyses. The analysis of internal customers dwelt on the skills and qualifications of customer contact personnel in service encounters, incentives, staff training, working tools and other operational facilities. On the other hand the basis of analysis for external customers was quality service dimensions as synthesized in SERVQUAL model (Parasuraman et al 1988; Zeithaml et al., 1990). Several studies have provided evidence on the superiority of SERVQUAL model over others as Carrillat et al. (2007) suggested that both scales (i.e., SERVPERF and SERVQUAL) are adequate and equally valid predictors of overall service quality. However, the authors believe that the SERVQUAL scale could be of greater interest for practitioners due to its richer diagnostic value (i.e., comparing customer expectations of service versus perceived service across dimensions). Also, the results of the study revealed that the need to adapt the measure to the context of the study in the case of SERVPERF is less than in the case of SERVQUAL. It is from these views that this study uses SERVQUAL model to assess customer service quality management in public transport. In light of the quality service dimensions, rail transport services were evaluated in the following perspective.

Table 1: Dimensions of Service Quality

N0	**Dimension**	**Measurement**
1.0	Tangible. The appearance of the physical facilities, equipment, personnel and communication materials are summarized here as under,	Physical facilities include station buildings wagons passenger coaches, which are supposed to be physical appealing and cleaned to reflect good ambient/ surroundings.
		Equipment include computerized freight services, the computerized advance cargo information system used for the tracking the movement of wagons and consignment.
		The contact personnel must be credible, trustworthy, and friendly and dressed appropriately.
		Communication tools should be operational i.e. in good working condition; these are rail track (way), Radio calls, Telephone, fax and internet to simplify communication
2.0	Reliability dimension - This is the ability to perform the promised service dependably and accurately, it means to perform service right the first time and the firm's honor of its promises	Supply of empty wagon for loading correct quantity, suitable type and observing punctuality
		Removal of wagons as quickly as possible after loading
		Movement of goods and passenger train from the original to its destination station, comfortably, safely and on time
		Punctual placement of loaded wagons at destination
		Timely removal of empty wagons after loading
		Conforming to movement schedules and giving notice to customers during changes
3.0	Responsiveness - The willingness, readiness of employees to help customer and provision of prompt service. It involves responding immediately to customer requests, processing document immediately, calling customers quickly and setting up appointments quickly.	Customer contact personnel includes booking clerks, chief book clerk, delivery clerks, luggage clerks, station masters, commercial inspectors, coach attendants, potters, hostesses, non operation staff like police etc. Customers expect that whenever they face a problem during a service encounter the customer contact personnel will be willing to help and solve the problem as quickly as possible.
4.0	Assurance - This is the confidence relief and ability to build up in the mind of the customer by customer contact personnel during service delivery in the sense it is the right person to perform job and the customer are in the safe hands in term of competence (possession of the required skills and knowledge)	Courtesy, politeness, respect and friendliness of customer contact personnel
		Credibility, honest and trustworthiness
		Security, how security of passengers and parcels is ensured, cargo security at the stations, while in transit, loading and off loading security
5.0	Empathy-This also include provision of caring and individualized attention to customer needs and requirements	Easy accessibility of customer to service. Letting the customer know the services available and telling so far what can be provided to meet the requirements. E.g. freight customer may need to use covered wagon or tank wagon depending on the nature of goods, need to be provided with information on the service available
		Communication, telling customer in the language they understand and listening them their requirements

STUDY FINDINGS

DISTRIBUTION OF THE RESPONDENTS

A sample size of 182 customers were consulted and interviewed. This includes 46 internal customers which comprised of employees at management level, customer contact personnel in service encounters, Service support employees and non operation employees and 136 were external customers. In collection data purposive sampling and stratified random sampling were used.

Table 1: Employees' Gender and level of Education

Qualifications	**People**	**Percentage**
Gender		
Male	24	52%
Female	22	48%
Graduate/Advanced Diploma	11	23.91%
Ordinary Diploma	22	47.83%
Secondary education	13	28.26%
Primary education	-	

Table 1 above shows that 52% of the employees were male and 48% were female. Regarding the level of education, 28.26% of the employees attended secondary education, 47.83% had ordinary diploma, while 23.91% have advanced diploma or are university graduates. According to the above findings, it shows that more than 50% of the employees particularly front line staff who meets face to face with customers have substantial knowledge which relevant in providing good service to customers. This includes booking clerks, delivery clerks, station masters, commercial inspectors, coach attendants, luggage clerks, train conductors and information desktop. In analyzing the perceptions of internal customers, the paper uses descriptive statistics. Coefficient of variation is used to measure the dispersion of data points in a data series around the mean. It is a useful statistic for comparing the degree of variation from one data series to another. It is calculated by Standard Deviation/Mean.

Table 2: Perceptions of the Employees

No	Item	Mean	Standard Deviation	Coefficient of Variation
1.0	The employees cooperate among departments and within departments, each department really links with the other departments on issues that are affecting the organization; managers are working and listening to other managers, which lead to sharing problems and solutions	3.8043	1.10794	29%
2.0	The management is offering employees incentives and are given in form of free houses; leave benefits, medical facilities when become sick, transport assistance is provided to them, education relief and meals allowances	3.7391	1.10423	29.5%
3.0	We are given training in order to equip us in day to day activities in form of courses and seminars in areas like management, marketing and traffic, commercial inspection etc and the training given improve our customer service knowledge and feel well trained to interact with customers	3.5217	1.18770	33.7%
4.0	We have enough working tools necessary for customer service, tools like gentry cranes for goods handling, computers for keeping customers information, and parcel weight measuring equipments	2.8478	1.24664	43.78%
5.0	We often interact with our clients to understand their satisfaction with the services offered	4.0435	0.94178	25.9%
6.0	clients are following rules and regulations and comply with terms set by the organization to avoid unnecessary problems	3.8696	1.00241	25.9%
7.0	Service providers are keeping its promises to customer satisfactorily	4.0870	0.78390	19.18%
8.0	Employees feel satisfied with the jobs they perform	3.8043	0.93380	24.5%
9.0	The employees have substantial knowledge on the works they perform (technical know-how)	3.1957	1.36006	42.6%
10	Good supervision is the means of good performance evaluation and that does not cause shortfalls in actual service performance	3.9348	1.06254	27%
11	Horizontal communication leads to improved service performance. This because customer contact personnel might have instructions from their supervisor on how to carry certain functions and these instructions are not meant to conflict with customer demands	3.8043	1.20406	31.6%
12	External communication does not contribute to quality service shortfalls. This is because communication made to customers raises their expectations about the service provision, the external communication made to customers through advertisements, promotional brochures and promises help in creating awareness to customers of what is being provided.	4.0652	0.77179	19%

Table 2 shows the perceptions of employees. The employees gave varied opinions. In terms of the cooperation among employees, this item had 3.8043 (76%) mean and the views of the employees in this component were consistent with coefficient of variation of 29%. This suggests that cooperation among departments and within departments is good, each department really links with the other departments on issues that are affecting the organization; managers are working and listening to other managers, which lead to sharing problems and solutions. In terms of provision of incentives, the employees agreed that the management is offering incentives in form of free houses; leave benefits, medical facilities when become sick, transport assistance, education relief and meals allowances. The views expressed had the mean of 3.7391 (74%) and were consistent with the coefficient of variation of 29.5%. Regarding training, the employees agreed that are given training in order to equip them in day to day activities in form of courses and seminars in areas like management, marketing and traffic, commercial inspection etc, also customer contact personnel are given training to improve their customer service knowledge and feel well trained to interact with customers. However, regarding the working tools, this item had the lowest mean of 2.8478 (59.9%) and the views were consistent with a coefficient of variation of 43.78%. This suggests that employees do not have enough working tools such as computers, loading equipments, motor vehicles and there exists a problem of ageing equipments and other operational facilities. Lack of sufficient working tools and the tendency of relying on aged equipments may lead to services being provided to become substandard thereby inhibiting promptness and effectiveness in the delivery of services. In terms of the interaction with customers, the employees agreed that they interact with customers. This item had relatively higher mean of 4.0435 (80.9%) and the views were consistent by 25.9% coefficient of variation.

Table 3: Distribution of the Respondents

Item	People	Percentage
Gender		
Male	84	61.8
Female	**52**	38.2
Education		
Graduate/Advanced Diploma	22	16
Ordinary Diploma	33	24
Secondary Education	54	39.7
Primary Education	28	20.6
Age of the respondents		
18-30	22	16
31-40	38	27.9
41-50	40	29.4
51-65	15	11
>66	21	15
Occupation		
Civil/public	33	24
Student	21	15
Business man	58	42.6
Others	24	17.6
Monthly Income (Tanzania Shillings)		
< 200,000	20	14.7
201,000-400,000	22	16
401,000-600,000	25	18
601,000-800,000	21	15
801,000-1000,000	18	13
> 1,001,000	30	22
Total	136	100%

Source: Field Survey (2017)

Of the total 136, respondents 84 (61.8%) were male and 52(38.2%) were female (table 1). Age wise, 41 to 50 years (29.4%) a group with the most respondents, followed by those between 31 to 40 years (27.9%). Respondents between 18 to 30 years were 22 (16%) and the relatively lower number of respondents was between 55 to 65 years (11%). This suggests that most of the external clients who use rail transport services are below 50 years of age. The age that is quite sensitive in terms of the kind and quality of services being provided. In terms of the level of education most of the respondents had secondary education (39.7%), followed by those who had diploma education (24%). Respondents who had university education were (16%) and those who had the least education were the primary school education holders (20.6%). This suggests that most of the respondents had at least formal education which shows that most of the respondents could make rational decision.

In terms of the reliability test for the dimension, the items yielded a Cronbach's alpha from 0.807 to 0.816 which is above the minimum threshold level of 0.60. Bush et al. (2006) suggest a Cronbach's alpha valued at less than 0.6 as unsatisfactory. According to Msabila and Nalaila (2013), reliability has to do with quality of measurement i.e consistency or repeatability of your measures (table 4).

Table 4: Reliability Test Results

Multi-Item Scale (Dimensions)	Cronbach's Alpha	Number of Items
Tangible	0.816	4
Reliability	0.815	6
Responsiveness	0.807	1
Assurance	0.816	3
Emphathy	0.812	2

Table 5: Results based on Dimensions of Service Quality Assessment

N0	Dimension	Measurement	Mean	Std Dev	Average Mean	Average Std
1.0	Tangible	Physical facilities include station buildings wagons passenger coaches, which are supposed to be physical appealing and cleaned to reflect good ambient/ surroundings.	3.7353	1.0344	3.9448	0.8979
		Equipment include computerized freight services, the computerized advance cargo information system used for the tracking the movement of wagons and consignment.	4.0441	0.8061		
		The contact personnel must be credible, trustworthy, and friendly and dressed appropriately.	3.8750	0.9770		
		Communication tools should be operational i.e. in good working condition; these are rail track (way), Radio calls, Telephone, fax and internet to simplify communication	4.1250	0.7740		
2.0	Reliability dimension	Supply of empty wagon for loading correct quantity, suitable type and observing punctuality	3.0221	1.8072	3.31618	3.1943
		Removal of wagons as quickly as possible after loading	3.0074	2.0129		
		Movement of goods and passenger train from the original to its destination station, comfortably, safely and on time	3.1176	3.5674		
		Punctual placement of loaded wagons at destination	3.5294	4.3528		
		Timely removal of empty wagons after loading	3.2794	2.1557		
		Conforming to movement schedules and giving notice to customers during changes	3.9412	5.2701		

3.0	Responsiveness	Customer contact personnel includes booking clerks, chief book clerk, delivery clerks, luggage clerks, station masters, commercial inspectors, coach attendants, potters, hostesses, non operation staff like police man etc. Customers expect that whenever they face a problem during a service encounter the customer contact personnel will be willing to help and solve the problem as quickly as possible.	4.2721	4.3808	4.2721	4.3808
4.0	Assurance	Courtesy, politeness, respect and friendliness of customer contact personnel	4.1103	3.4826	3.9607	3.3254
		Credibility, honest and trustworthiness	4.0294	4.4354		
		Security, how security of passengers and parcels is ensured, cargo security at the stations, while in transit, loading and off loading security	3.7426	2.0583		
5.0	Empathy	Easy accessibility of customer to service. Letting the customer know the services available and telling so far what can be provided to meet the requirements. E.g. freight customer may need to use covered wagon or tank wagon depending on the nature of goods, need to be provided with information on the service available	3.5294	1.1543	3.9008	2.8227
		Communication, telling customer in the language they understand and listening them their requirements	4.2721	4.49109		

Table 5 shows the statistical descriptions of the dimensions of service quality based on customer satisfaction or dissatisfaction. From the table it is observed that responsiveness recorded the highest mean score of 4.2721 making it the dominant service quality, followed by assurance (mean 3.9607 and standard deviation 3.3254). Tangible became number 3 with mean 3.94485 and standard deviation 0.8979. The standard deviations are relatively higher, showing the dispersion in a widely spread distribution. However, reliability dimension recorded the lowest mean of 3.3161. This suggests that clients' requirements and queries are accurately predicted along each of the service quality dimension except the reliability dimension.

CORRELATION AND REGRESSION ANALYSIS

CORRELATION

The relationship between tangible, reliability, responsiveness, assurance and empathy was examined by Pearson Correlation Coefficient. Correlation is used to interpret whether the relationship of two variables is strong or weak, in terms of the power of relationship and the direction (Pallant, 2001, p.116). The analysis of correlation is derived and shown in table 6.

Table 6: Correlations

Dimensions		**Tangible**	**Reliability**	**Responsiveness**	**Assurance**	**Empathy**
Tangible	Pearson Correlation	1				
	Sig. (1-tailed)					
	N	136				
Reliability	Pearson Correlation	0.431	1			
	Sig. (1-tailed)	0.001				
	N	136	136			
Responsiveness	Pearson Correlation	0.337	0.136	1		
	Sig. (1-tailed)	0.002	0.000			

	N	136	136	136		
Assurance	Pearson Correlation	0.95	0.345	0.843	1	
	Sig. (1-tailed)	0.000	0.001	0.000		
	N	136	136	136	136	
Empathy	Pearson Correlation	0.034	0.654	0.624	0.856	1
	Sig. (1-tailed)	0.001	0.000	0.000	0.001	
	N	136	136	136	136	136

NB: Correlation is significant at the 0.05 level of significance (2- tailed)

Based on the analysis in table 6, the results show the existence of positive and significant relationship among the service quality dimensions. For example the relationship between tangible and reliability is positive and significant with correlation coefficient r=0.431 at p<0.001 level. The correlation between reliability and responsiveness, indicates that there is a significant correlation between the two variables with correlation coefficient r= 0.136 at P<0.000. The correlation between Assurance and Tangible, indicates that there is a significant correlation between the two variables with correlation coefficient r= 0.95 at P<0.000. Similarly, the correlation between empathy and responsiveness, indicates that there is a significant correlation between the two variables with correlation coefficient r= 0.624 at P<0.000.

MULTIPLE REGRESSION ANALYSIS

The data collected was regressed by the Statistical Package for Social Science (SPSS). The multiple regression model used in the analysis was as shown below.

Quality service (client satisfaction) $=\beta_0+\beta_1$Tangible$+\beta_2$Reliability$+\beta_{3+}$ Responsiveness$+\beta_4$Assurance$_+\beta_5$Emphathy$_+\varepsilon$

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.957[a]	0.915	0.909	0.30897

a. Predictors: (Constant), Tangibles, Reliability, Responsiveness, Assurance, Empathy

The model summary comes from multiple regression analysis. The result shows that adjusted R square is 0.90. This means out of 136 respondents, their perception of quality service management accounts for 90% of total variation in customer service quality satisfaction or dissatisfaction. This means that Tangibles, Reliability, Responsiveness, Assurance, Empathy have a strong relationship.

ANALYSIS OF VARIANCE (ANOVA)

Variance analysis (ANOVA), tests the hypothesis in that the means of two or more populations whether are the same or not. ANOVAs assess the significance of one or more factors by comparing the response variable means at different factor levels.

Table 8: Analysis of Variance (ANOVA)

Model		Sum of Squares	Df.	Mean Square	F	Sig.
1	Regression	47.273	3	15.758	165.070	0.000[b]
	Residual	4.391	46	0.095		
	Total	51.664	49			

Source: Field data (2017)

a. Dependent Variable: Average customer satisfaction

b. Predictors: (Constant), Tangibles, Reliability, Responsiveness, Assurance, Empathy

Table 8 above proves Tangibles, Reliability, Responsiveness, Assurance, Empathy had a significance level of 0.000(b), hence the model is statistically significant in depicting how a customer service quality management is influenced by the independent variables in this study.

Table 9: Coefficients

Model	Un-standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0.833	0.291		2.864	0.006
Tangible	0.804	0.088	0.807	9.106	0.000
Reliability	0.229	0.122	0.209	1.874	0.100
Responsiveness	1.015	0.049	0.943	20.788	0.000
Assurance	0.471	0.441	0.312	5.453	0.001
Empathy	0.612	0.236	0.403	6.986	0.000

Dependent variable: Average client satisfaction

In table 9, standardized coefficients indicate how much the dependent variable varies with an independent variable when all other independent variables are held constant. The beta coefficient indicates that how and to what extent SERVQUAL dimensions (Tangibles, Reliability, Responsiveness, Assurance, and Empathy) influence client satisfaction. It has been found that responsiveness (β=0.943, t=20.788, P<0.000) and Tangible (β=0.807, t=9.106, P<0.000) and empathy (β=0.403, t=6.986, P<0.000) recorded the highest influence on client satisfaction. However, reliability (β=0.209, t=1.874, P<0.100) recorded the lowest impact on client satisfaction.

Then the fitted regression model is given as follows;

Overall client satisfaction (Y) = 0.833 + 0.804 (Tangible) + 0.229 (Reliability) + 1.015 (Responsiveness) + 0.471 (Assurance) + 0.612 (Empathy)

DISCUSSION OF RESEARCH FINDINGS

Basing on quality service as gaps identified by Kotler (1997), that cause unsuccessful service delivery, there is the gap between service delivered and external communication of public rail services, this discrepancy in quality of public rail transport service is related to reliability dimension i.e. performance of the promised service accurately and dependably. External communication made to customers helps in creating awareness to customers of what is being provided. External communication made through promotional campaigns, advertisements and promises given by service contact personnel, management and their agents are not specifically converted to perceived service which leads to gap 5, where there is a difference between perceived service and expected service and thus customer misperceives service which leads to dissatisfaction.

Gap 1, exists when there is difference between customer expectation and management perceptions, the results suggest that there is no significant difference between customer expectations and management perceptions since marketing research is conducted to identify customer wants and requirements, regular visits to customers offering high volume of traffic are made, communication and regular interaction with customers by service contact personnel help management to capture what the organization is expected of by customers.

Gap 2, exists when there is a difference between management perception and service quality specification, the results suggest that specification, since management does job

evaluation, commit resources for quality service, facilitates fast upward communication, levels of management do not hinder communication also service standardization seemed to be acceptable to the customer contact personnel.

Gap 3, exists when there is difference between quality specification and service delivered, the result suggests that there is likelihood of having a significant difference between quality specification and service delivered, in some cases management may understand customers expectations and set appropriate specifications either formally or informally, still however the service delivery fall short of customer expectations, this is experienced when the customer contact personnel are unable, unwilling or may not have the ability to perform the services at desired level. In some cases service provider may not have the ability to perform the functions properly given that the equipments and facilities are not available.

Internal factor contributing to the difference between external communication and service delivered and hence the difference between perceived service and expected service and ultimately customer dissatisfaction. The results show that customer contact personnel experienced a shortage of working tools; this includes computers, loading equipments, communication tools and other operational facilities. These lag the performance of the promised service accurately and dependably.

CONCLUSION AND RECOMMENDATIONS

The objective of the study was to assess customer service quality management, by taking into account factors affecting quality service so as to be able to track quality and thus highlighting the importance of service quality management in public transport. The study reveals that customers' expectations of service quality are accurately predicted by organizations management along each of the service quality dimensions except the reliability dimension. That is the ability to perform the promised service dependably and accurately. As a result of this management specifies quality standards that fall below customer expectations and hence causes service quality shortfalls.

Managers in service organization often experience difference difficulties in trying to match or exceed customers' expectations. This is due to the factors like some functions require change of organizations system of service delivery to enhance customer perception. This might require altering the process by which the work is accomplished, in some cases change requires new equipments and technology, change also necessitates aligning executives from different part of organization to collectively understand the big picture from the customer point of view, also requires a willingness to be open to different ways of structuring, calibrating and monitoring the provision of service. The study recommends the following;

- The management should continuously monitor customer satisfaction by carrying market surveys frequently to determine customer requirements, since customer needs and wants keep on changing from time to time and within different age groups, so these surveys should be as frequent as possible, so as to enable to provide the right service the first time.
- The management should incorporate total quality management in the provision of services, so that all departments within organizations are coordinated with the single purpose of satisfying customers, this will instill a marketing orientation establishment among employees and thus proper adherence to the corporate objectives of the organization.
- There should be frequent training sessions or seminars for employees especially the customer contact personnel to update them on current trends in customer requirements and wants; this will enable them to provide the right packaged service to customers consistent to handling their complaints.

- Improving working tools, the organization should ensure that working tools are reliable. In offices there are enough computers, maximizing the operational capacity of equipments by making a review and development of equipments according to the requirements, these will help to improve the internal working environment and thus help an organization to cope with the current situation in the area of technology.
- Assessing what other competitors are doing such as road transport concerning customer expectations. This will help setting quality standards.
- External communication made to customers should be realistic and portray to customers a realistic picture of the service as such promises influence customer expectations and impact on satisfaction.
- The management should commit important resources for quality provision to customers, in doing this management should consider long run benefits.

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ORIGINAL SCIENTIFIC PAPER

Evaluate the Effectiveness of Advertising on Customers' Willingness to Buy(Case Study: Goldiran Products Customers

Peyman Ghafari Ashtiani[29], Fatemeh Bahmanzadeh[30]

ABSTRACT

This research had been done to evaluate the effectiveness of advertising on customers' willingness to buy. The aim of this research was applied and the method of data collection was descriptive and causal-effect. The statistical population of this research was customers of Goldiran *products in Tehran who visited the company's representatives to buy. The sample size with the help of Cochran formula was 384 people and sampling method was random, stratified based on geographic area was calculated. Data gathering tool included two questionnaire by Jafari (1393) to measure advertising effectiveness and customers' willingness to buy and questionnaire by Boyle et al (2013) to measure brand image and brand equity. The validity of these two questionnaire were confirmed by content and construct validity. As well as, reliability of 4 variables were obtained higher than 7/0 with the help of Cronbach's alpha coefficient. Data from distributing questionnaires were analyzed using LISREL software. For this purpose, using confirmatory factor analysis test, accuracy of measurement variables were confirmed. Then, it turned out through track analysis test that although brand equity was effective on the willingness of customers to buy, however it could not be reached through company's advertising. Also, although advertising caused brand image; however, the image had little effect on customers' willingness to buy company's products.*

KEY WORDS: *Advertising Effectiveness, Customer Willingness to Buy, Brand Image, Brand Equity*

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INTRODUCTION

Nowadays, Customer's right to choose has had a significant increase due to increasing competition between the companies to discover, customer retention and ultimately profitability, (Coon et al., 2014). Therefore, customers are trying to obtain their needed information before buying in different ways from different companies and suppliers and comparing them to make the best choice. One of the most common ways to provide this information is advertising. "The purpose of advertising is communications tools that companies use to communicate with people who want to buy product or service"(Pita, Flavler, 2013). In other words, "propaganda is a tool to build a relationship with the customer to inform and influence their attitudes and behavior" (Nikookar et al., 1388). On the other hand, although the advertising is mentioned as an investment, but there is no doubt that costs a fortune to the company; Therefore, advertisers and marketers are always interested in evaluating the effect of their advertising on end customers. "In fact, they are increasingly seeking to prove the effectiveness of their ads" (Morley, 2007). Because, there is a variety of devices including TV, radio, internet commercials, social networks, install banners in the city, sponsor sports teams and .. the company needs to recognize that how much profit gain when investment on advertising (Ghouchani et al., 1392). In general, advertisers have defined the advertising effectiveness "to deliver the company's messages to customers with the objectives of notification, reminders, stimulate purchases, competition and respond to competitors" (Campbell, Wright, 2008). On the other hand, researchers believe that despite the importance of advertising on the increase of sale, evaluating it effectiveness is not simply take place. The reason is that advertising is a complex process and ad performance is completely dependent on customer response (Buil et al., 2013). However, some other researchers believe that ways of measuring the effectiveness of advertising, including direct and medium scales (Ghouchani et al., 1392). On the one hand, direct scales, tests and examines the actual behavior of watching ads and assuming the hierarchy of effects, assess the impact of an ad is relevant with the attention or gain knowledge of the advertiser message and on the other hand, intermediate scale evaluates the impact message has on the memory, "(Morley, 2007). However, what is important for companies; stimulate the desire of potential customers to buy their products. Therefore, in this study will be carried out on Goldiran products, advertising effectiveness to create the willingness of customers to purchase the company's products is done.

The researchers also believe that the brand image related to factors beyond the physical aspects of product and is built from a combination of product physical reality and emotional and personal beliefs arise about it that this issue is concerned with how a person familiar with the product or brand. Because the customer between different brands for buying a product, select what has on its mind from a brand, not necessarily an accurate and complete comparison between brands available. Therefore, create the perfect image of a brand in customers' mind in selecting and deciding to choose one to buy can be effective (Dyndar farkush and Hydarbiegy, 1390).

According to what was said; the study aims to first, which one of Goldiran company advertising tools is more effective? Secondly, due to the fact that in this study the efficacy of research has been operating with two concept of brand equity and brand image, it turns out that what is advertising effect on willingness customers to purchase Goldiran products?

LITERATURE REVIEW

REVIEW OF CONCEPTS AND THEORIES *ADVERTISING EFFECTIVENESS*

Marketing communication is a two-way conversation between the company and potential and actual customers of product and brand (Tong, Alley, 2009). Promoting activities is the bridge between the buyer and the seller and has the role of creating awareness, persuasion and influencing on the consumer decisions (Trehan, 2007). Supremacy in today competitive world needs proper marketing strategies; however, complicated conditions of the market, the introduction of new information technologies, constant changes in competition condition and in the automotive industry market caused it cannot be easily decide on the type of marketing strategy. Several factors that can affect the choice of marketing strategy among them the behavior of competitors and customers willingness can be noted. The behavior of buyers is one of the key factors that can play an effective role in selecting marketing strategy (Nikookar et al., 1388). Buyer behavior is one of the newest subjects in the marketing area and the first book on the subject was written in 1960; however, records on this subject can be seen among which we can mention marketers using of Freud's ideas in the 1950s (Golchinfar, Bakhtiari, 1385). The buyer psychology in the 1980s was also discussed that in management literature known as buyer behavior. J.C Mowen, L.G Schiff man and M.R.Solomon have recently written significant works on buyer behavior (Asadi, 1379). Willkie and Solomon had defined buyer behavior in this way: physical, emotional, and mental activities that people are doing while select, purchase, use and dispose goods and services in order to satisfy their needs and desires. However, in another definition buyer behavior refers to a set of interlocking actions and deeds that the consumer do to choose goods or services, buy and use it (Iranmanesh, 1382). As well as, Thomas defined buying behavior in this way: a set of activities that are directly done in order to buy, use and disposal of goods and services (Assuel, 1995). From the moment that the person recognizes the need for goods or services until he or she buys and consumes it; a process of continuous operation is done which say it decision making process to buy (Blacwel et al., 2001). One of the most important theories in the study of business is people's attitudes towards the ads. An attitude toward advertising is defined as: fields for response to a particular advertising stimulus in desirable or undesirable way in a special display position. Attitudes that are shaped toward advertising are effective on consumer attitudes toward the brand and also the purchase aim (Lord, 1995). If the final goal of advertising have been creating positive attitude toward advertising and brand, increasing the likelihood of purchase or a positive emotional response to an ad can be used as the best indicator of evaluating the effectiveness of advertising (Brown, Stymene, 1992).

BRAND

Brand concept was also defined in the nineteenth century with the advent of Packaging industry. According to some statements, Pears soap was the first registered brand. The first definition for brand advertising was introduced about 1900 by James Walter Thompson which today has turned into the definition of branding. Very early, big companies also invented advertising slogans which were seen and heard in radio and the first television ads. In 1940, customers recognized the concept of social, psychological, anthropological and their relationship with brands and this led to manufacturers recognize other brand values and the need to take advantage of them and therefore so far, researchers paid attention to several concepts such as brand image, brand association, brand equity, brand loyalty and … (Ghouchani et al., 1392).

Measuring brand equity requires consideration of several criteria along a number of different dimensions. Measures that are most effective in evaluating brand equity of products and market are as follows (Simon, 2006):

Brand management is the application of marketing techniques to a specific product or product line. Brand management tries to increase value for customers and ultimately, increase sales volume. Brand management is a tool to increase the desired quality of the customer and increase buying and building loyalty in customers. One of the major advantages of brand management for the company is that it can add to the price of goods and services in certain markets, without the loss of customers. In fact, brand management is a tool to differentiation (Borehan, 2010).

RESEARCH BACKGROUND

Ghouchani et al (1392) in a study examined the effect of media advertising as a marketing strategy on the behavior of passenger car buyers. The obtained results indicate that a variety of advertising such as visual, audio and written has effects on the behavior of passenger car buyers and their impact on the behavior of buyers had different priorities. Based on the results obtained, managers have been advised to dedicate each kind of advertisements with appropriate content to the relevant market and avoid this notion that some form of advertising does not work in this industry. Dehghani and Tomer (2015) study the impact of Facebook advertising effectiveness on the willingness of customers to purchase. This study was conducted among university graduates in Cyprus. The research was quantitative and the research strategy was descriptive, survey type. The questionnaire of this study was researcher made. The results of this study which was performed with the help of average comparing test of a community showed that the advertising effectiveness had a significant impact on brand image and brand equity. As well as, the brand image and brand equity had significant impact on customer's willingness to buy.

Varadrajan and Yadav (2013) in an article entitled "Marketing strategy in a virtual environment" study the relationship between advertising and the Internet. The results indicate that advertisements which were the most effective and efficient way to create willingness in people to consume a particular commodity at one time, today due to their growth and development have been threatened and on the other hand, Internet advertising due to lack of confidence in the community had not been succeeding in creating a position in many communities as an affective factor in the minds of customers.

Cohen et al (2014) in their study concluded that the impact of television on children's eating habits were usually justified based on the pattern of stimulus - response (conditioning). This means that the more minutes or hours watching ads (stimulus), it is more likely the person request and eats the advertised food (response).

THEORETICAL FRAMEWORK OF RESEARCH

In general, advertising has been evaluated using various tools and the researches in this area can be divided into two categories: quantitative and qualitative. In the first category, the effects of advertising on variables such as sales and profits is evaluated and in the second category, factors such as brand, consumer behavior, attitudes and consumer willingness have been studied. In this research, based on Dehghani and Tumer model (2015), the researcher has defined the goal of advertising creating brand image and brand equity. On the other hand, it can be claimed that advertising is effective, if cause willingness and stimulates potential customers to buy the company product. Therefore, in this study in addition to evaluate the effects of advertising on brand image and brand equity, the effect of advertising on brand image and brand equity on willingness of customers to purchase the Goldiran company's products are also addressed.

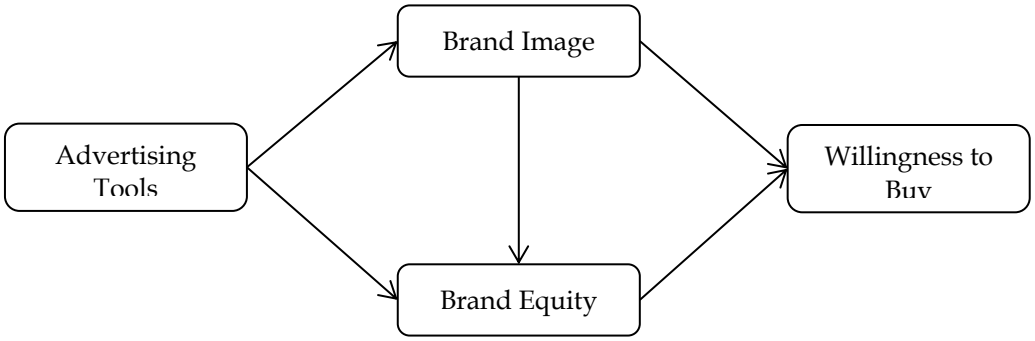

Figure 1: The conceptual model of Dehghani and Tumer (2015)

RESEARCH HYPOTHESIS

Brand equity, as a mediator variable has a significant effect on the relationship between the advertising effectiveness and customer willingness to buy Goldyiran products.

Brand image, as a mediator variable has a significant effect on the relationship between the advertising effectiveness and customer willingness to buy Goldyiran products.

Advertising tools (in separation) has a significant effect on brand image.

Advertising tools (in separation) has a significant effect on brand equity.

Brand image has a significant effect on the willingness of consumers to purchase.

Brand equity has a significant effect on the willingness of consumers to purchase.

Brand image has a significant effect on the brand equity.

RESEARCH METHODOLOGY

This research is a quantitative research type because hypotheses will be examined using data from questionnaires and statistical tests. Researchers also consider three overall directions such as fundamental, developmental and applicable for a research which this is an applied research type due to the aim; because the results of this study offered to the Goldiran Company and lead them to have a better understanding of consumer behavior. Also, given that the researcher described the situation of the research variables without altering the research, the research strategy is descriptive. On the other hand, considering that researcher used a sample for evaluating hypothesis and generalize its result to all community, so that descriptive strategy in this research is a survey type. In addition in this study, the effect of independent variable (s) on the dependent variable is analyzed. Therefore, the research strategy is cause and effect, therefore it can be claimed that the research strategy is divided into two parts of descriptive-survey and cause-effect.

COMMUNITY AND THE STATISTICAL SAMPLE

The population of this research includes buyers of Goldiran Company products in Tehran. Due to the impossibility of reviewing all the statistical population, some samples were selected using sampling formula of Cochran unlimited society. According to the following formula, the sample size is:

$$n = \frac{(Z_{\frac{\alpha}{2}})^2 \times pq}{d^2}$$

The statistical sample is consisting of 384 people. Given the extent of Tehran and economic, social and ... differences between different areas of Tehran, the researcher used cluster random sampling method to select the sample group.for this purpose, the researcher divided the city of Tehran to five section of the North, South, Central, West and East and the questionnaire randomly distributed in each section (in sales representatives LG products).

METHODS AND TOOLS FOR DATA COLLECTION

The researcher among the methods of collecting information used the library method and collected the theoretical foundations with the help of articles, journals, reliable web sites and scientific books and to test research hypotheses used field method and the questionnaire for collecting required data.

QUESTIONNAIRE

Danaeefard and et al (1389) know questionnaire a pre-established collection that respondents select their answers within a certain range of options. To gather the desired data to test hypotheses as well as measuring customer opinions, the researcher used two questionnaires of Gafari (1393) and Boyle et al (2013). In total, the questionnaire is composed of two parts of general questions and specific questions.

Table 1: Structure of the questionnaire

Dimensions	Questions	Reference
Advertising effectiveness	1-5	Jafari (1393)
Brand image	6-9	Boyle et al. (2013)
Brand equity	10-13	Boyle et al. (2013)
Customer willingness to buy	14-19	Jafari (1393)

VALIDITY OF THE QUESTIONNAIRE

Validity means that measuring tool can measure the desired features and characteristics (khaki, 1382). The concept of validity answer this question that measuring tool to what extent measure the desired characteristic? Considering that questionnaire is used in this study, the researcher to ensure the accuracy of transfer right questions tried to evaluate the validity of the questionnaire with the help of content validity. In this way, the questionnaire was given to the eleven experts, including Supervisor and asked them about each question and its ability to assess the related purpose of the study and due to the expert's opinions, minor adjustments have been done in the questionnaire and finally the Validity of questionnaire was confirmed by them.

RELIABILITY OF THE QUESTIONNAIRE

The reliability of a measure shows logic stability of responses in measuring tool and helps to properly evaluate a measure. Stability, pointing out that if a test measures individual intelligence, its results has been the same on the individual at different times. "The ability is" a measure to maintain stability over time (despite the uncontrollable condition of the test and the status of the respondents) and an indicator of its stability and low vulnerability to changes. This

ability indicates the appropriateness of measurement tool because each time measurement take place, the same results will be obtained. Basically, humanities researchers using Cronbach's alpha to assess the reliability of their questionnaire. For this purpose, the researcher distributed 30 questionnaires and using this technique, the following results were obtained.

Table 2: The reliability of research variables

Dimensions	Cronbach's alpha coefficient
Advertising effectiveness	0.84
Brand image	0.89
Brand equity	0.94
Customer willingness to buy	0.84

According to Cronbach's alpha amount obtained for each variable, research questionnaire has the enough reliability.

RESEARCH FINDINGS

ANALYSIS CONFIRMATORY FACTOR OF MODEL VARIABLES

The researchers first examined the confirmatory factor analysis of the independent variable; then dependent variable and the mediator confirmatory factor analysis are examined.

ANALYSIS CONFIRMATORY FACTOR OF INDEPENDENT VARIABLE

Because in this study the advertising effectiveness variable is as the independent variable which is without dimension, so its factor analysis should be done in one step.

In one step factor analysis, the relationship between the questions and variable is called factor loadings. All factor loadings should be greater than 5.0 to be accepted. In the above figure, all factor loadings are greater than 0.5, so it can be said that advertising effectiveness variable is measured well by questions.

Being a significance coefficient means that the number should be greater than 1.96 or smaller than -1.96. In the above figure, all significant coefficients are greater than 1.96 which represents confirming the confirmatory factor analysis. Therefore, we can say that this variable is measured well by its questions.

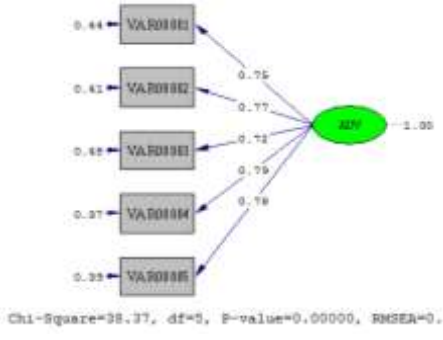

Figure 2: Confirmatory factor analysis of independent variable in standard estimation mode

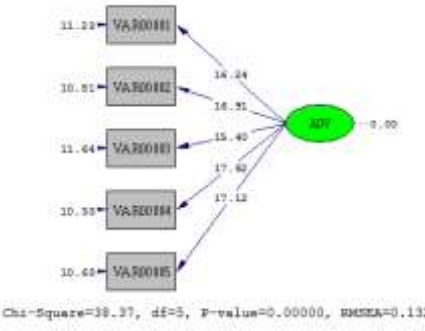

Figure 3:Confirmatory factor analysis of independent variable in significant coefficients mode

CONFIRMATORY FACTOR ANALYSIS OF BRAND IMAGE MEDIATOR VARIABLE

As mentioned, after confirmatory factor analysis of the independent variable, it turns to confirmatory factor analysis of brand image mediator variable that because in this research has not any dimension and directly have been measured with questions, then it is one-stage variable and just only has one factor analysis.

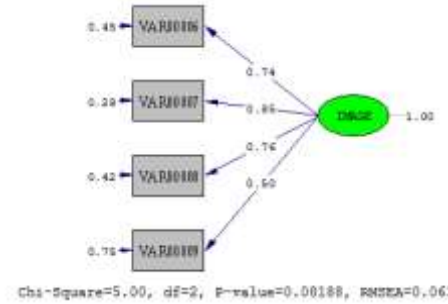

Figure 4: Confirmatory factor analysis of brand image mediator variable in standard estimation mode

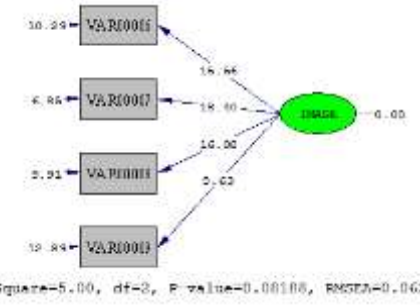

Figure 5: Confirmatory factor analysis of brand image mediator variable in significant coefficients mode

Due to this fact that all factor loadings are higher than 0.5, it can be claimed that the questions measured well brand image variable.

Factor loadings between mediator variable and questions in a significant coefficients mode are all have relatively high significant coefficient (greater than 1.96) and therefore confirm a confirmatory factor analysis of this variable. In other words, questions have been able to measure well brand image mediator variable.

CONFIRMATORY FACTOR ANALYSIS OF BRAND EQUITY MEDIATOR VARIABLE

After investigating confirmatory factor analysis of brand image mediator variable, it turns to confirmatory factor analysis of brand equity mediator variable that because in this research has not any dimension and directly have been measured with questions, then it is one-stage variable and just only has one factor analysis.

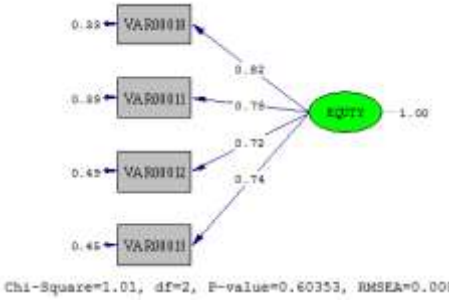

Figure 6: Confirmatory factor analysis of brand equity mediator variable in standard estimation mode

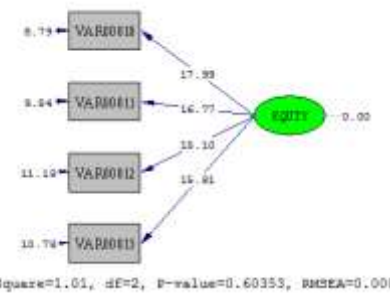

Figure 7: Confirmatory factor analysis of brand equity mediator variable in significant coefficients mode

Due to this fact that all factor loadings are higher than 0.5, it can be claimed that the questions measured well brand equity variable.

Factor loadings between mediator variable and questions in a significant coefficients mode are all have relatively high significant coefficient (greater than 1.96) and therefore confirm a confirmatory factor analysis of this variable. In other words, questions have been able to measure well brand equity mediator variable.

CONFIRMATORY FACTOR ANALYSIS OF DEPENDENT VARIABLE

After investigating confirmatory factor analysis of independent and mediator variables, it turns to confirmatory factor analysis of dependent variable that because in this research has not any dimension and directly have been measured with questions, then it is one-stage variable and just only has one factor analysis.

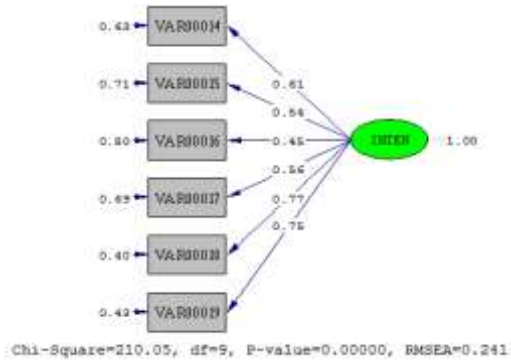

Figure 8: Confirmatory factor analysis of dependent variable in standard estimation mode

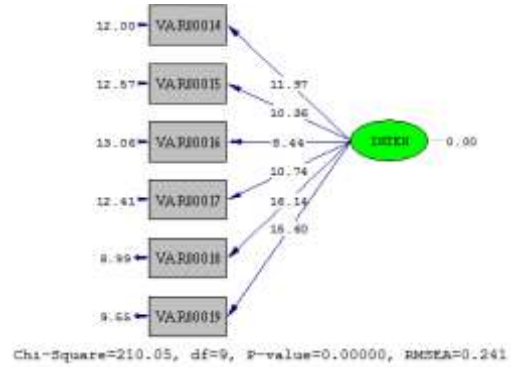

Figure 9: Confirmatory factor analysis of dependent variable in significant coefficients mode

Due to this fact that all factor loadings are higher than 0.5, it can be claimed that the questions measured well dependent variable.

Factor loadings between mediator variable and questions in a significant coefficients mode are all have relatively high significant coefficient (greater than 1.96) and therefore confirm a confirmatory factor analysis of this variable. In other words, questions have been able to measure well dependent variable.

EVALUATION STRUCTURAL EQUATIONS MODEL

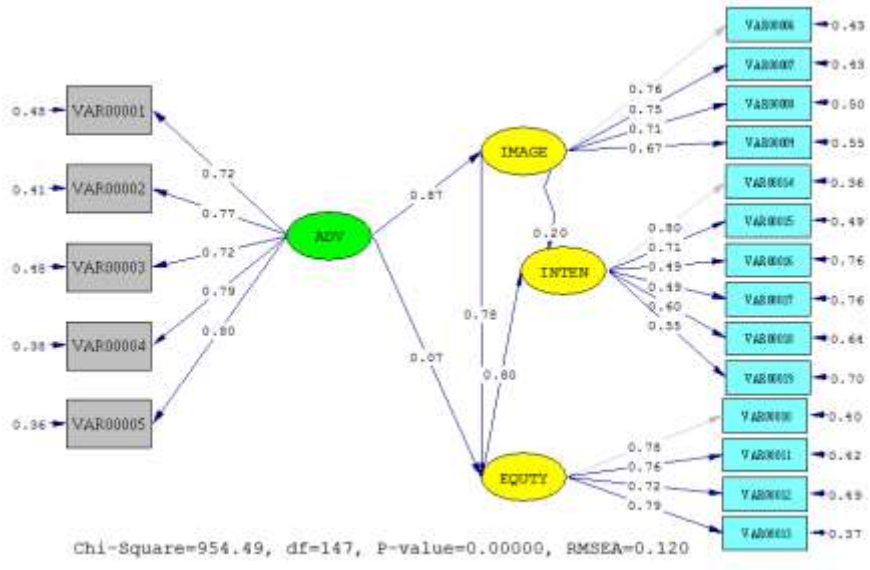

Figure 10: Significant model of research hypotheses in the standard estimation mode

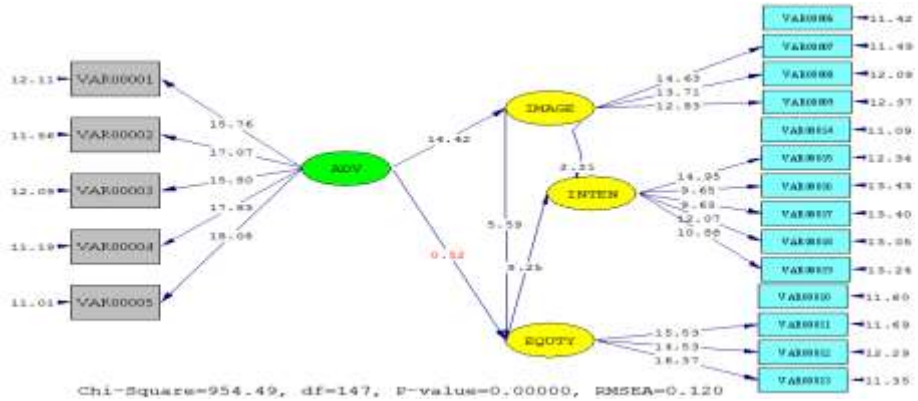

Figure 11: Significant model of research hypotheses in significant coefficients mode

EVALUATING THE MAIN RESEARCH HYPOTHESES

Primary and secondary hypotheses were evaluated in the following table:

Table 3: The results of structural equation modeling analysis: the first main hypothesis of the study

Hypothesis	Direction	Independent variable	Dependent variable	Standard coefficient	T-value	Test result
Main 1	Path 1	Advertising effectiveness	Brand Equity	0.07	0.52	Confirmed
	Path 2	Brand Equity	Willingness to buy	0.8	8.25	Rejected
	Brand Equity	Advertising effectiveness	Willingness to buy	0.056 = 0.8× 0.07	--	Confirmed
Main 2	Path 1	Advertising effectiveness	Brand Image	0.87	14.42	Rejected
	Path 2	Brand Image	Willingness to buy	0.2	2.31	Rejected
	Brand Image	Advertising effectiveness	Willingness to buy	0.17 = 0.2× 0.87	--	Confirmed
Sub 1	-	Advertising effectiveness	Brand Equity	0.07	0.52	Confirmed
Sub 2	-	Advertising effectiveness	Brand Image	0.87	14.42	Rejected
Sub 3	-	Brand Image	Willingness to buy	0.2	2.31	Rejected
Sub 4	-	Brand Equity	Willingness to buy	0.8	8.25	Rejected
Sub 5	-	Brand Image	Brand Equity	0.78	5.59	Rejected

DISCUSSION AND CONCLUSION

DISCUSSION

In the first hypothesis of this study, the effect of brand equity on the relationship between advertising effectiveness and the customer's willingness to buy Goldiran products were examined. This research in studies such as Ghouchani and et al (1392), Dindarfarkoosh and Heidarbiegy (1390), Shah Mohammadi and Ahmad Oskooi (1390), Cohen et al., (2014), Pine and Nash (2009), Pita and Flawler (2013), Varadarjan and Yadav (2013), Dehghani and Tomer (2015) has been directly or indirectly noted that was found by comparing the results of these studies with the present study. The obtained result showed that advertising had effect on the behavior of passenger car buyers that compared to the results of the present study; it was found that the results of two studies are not consistent with each other. In fact, advertising on Goldiran products through two mediator variable did not cause stimulate demand and the willingness of individual to purchase. The results of Dehghani and Tomer (2015) on the effectiveness of Facebook ads on the willingness of customers to buy revealed that brand equity mediator is effective on this relationship that is contrary to the present results.

In the second hypothesis of this study, the effect of brand image on the relationship between advertising effectiveness and the customer's willingness to buy Goldiran products were examined. This research had been done in studies such as Dindarfarkoosh and Heidarbiegy (1390). In this study, which examined the impact of commercial advertising Persian-language satellite networks on audience attitude and their actions to purchase, it was found that advertising had a significant effect on the audience attitude. This can be due to the fact that in principle commercial advertising of Persian-language satellite channels promote products that pay less in the official TV of the country; therefore, there is less possibility of comparison in mind of audience and so he or she may create deeper and more effective image about that product in his, her mind.

In the first secondary hypothesis of this study, the effect of advertising effectiveness on brand equity of Goldiran products was examined. This research had been done in studies such as Mira and Karim (1391) (1390). In that study, the effect of media and non-media advertising on brand equity, name and logo of Pars Khazar was discussed. The results showed that commercial advertisements have the greatest impact on brand equity. This may be because there is no competitor company for Pars Khazar in public media ad (to the same amount of Pars Khazar Company), therefore this advertisement reflects the strength and credibility of the company. While competitors such as LG make extensive advertising, therefore advertising brand equity simply does not promote the company's brand.

In the second secondary hypothesis of this study, the effect of advertising effectiveness on brand image of Goldiran products was examined. The results of structural equation model in LESREL software suggests that the effectiveness of advertising on brand image of of Goldiran products had a positive, direct and significant (0.87) effect. The results Dehghani and Tomer research (2015) showed that advertising has a significant impact on brand image that the results of both studies are parallel to each other.

In the third secondary hypothesis of this study, the effect of brand image on willingness to buy Goldiran products was examined. This research also was conducted on studies such as Varadarjan and Yadav (2013) and it was found that due to the influx of Internet advertising and a lack of confidence to these ads, there is no proper image in the customer's mind from Internet advertising. This is partly consistent with the results of the present study that may be due to the influx of deceptive business advertising and loss of public confidence to the business advertising.

In the fourth secondary hypothesis of this study, the effect of brand equity on willingness to buy Goldiran products was examined. Although considering the first secondary hypothesis, it was turned out that advertising did not lead to brand equity for the company's products; However brand equity (be obtained any other way for the brand of this company) tends to significantly increase the customer's willingness to buy.

In the fifth secondary hypothesis of this study, the effect of brand image on brand equity of Goldiran products was examined. The results of Dehghani and Tomer (2015) were also in line with the results of this study.

RESEARCH SUGGESTIONS

According to the first and second hypothesis of the study, it was found that the company's advertisement through brand equity and brand image does not lead to customers' willingness to buy; so that, the researcher suggest the managers of these companies if their purpose of advertising is to create a willingness to buy through these two concepts, have fundamental review of the concept, appearance, text, songs, etc. of their ads.

According to the first secondary hypothesis which demonstrated the company's advertising does not lead to increase brand equity; so that, the researcher suggest the managers of these companies to emphasize in their advertisement on services and unique features that other competitors does not. (This becomes important because according to the fourth secondary hypothesis; if there is any brand equity, tend to buy Goldiran products increases).

According to the first secondary hypothesis which demonstrated the company's advertising does not lead to increase brand equity; so that, the researcher suggest the managers of these companies to emphasize in their advertisement on services and unique features that other competitors does not.

According to the third and fourth secondary hypothesis that it was found the brand image and brand equity has effect on willingness to buy Goldiran products, ; so that, the researcher suggest the managers of these companies to work more on the development of company's brand.

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SCIENTIFIC REVIEW

Retro brands in the retailing enviroment: a review and research propositions

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ABSTRACT

Since the turn of the 21st century, the rise of retro brands has been generating considerable interest in terms of stimulating positive emotions and influencing consumers' attitudes and retail buying behaviour. The paper presents the results of an extensive review of the recent literature on the role of retro brands in the retail context and consumer-related behaviour. As such, it provides a framework for an improved understanding of the overall retro phenomenon in the retailing environment. Useful insights for both retailers and marketers are provided in order to better understand the concept of retro branding and to enhance the overall retail experience of retro consumers. In addition, recommendations for further research are offered.

KEY WORDS: *retro brands, retailing environment, consumer nostalgia, retro marketing*

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INTRODUCTION

Scholarly interest toward the retro marketing phenomenon, also referred as retromania and retro marketing revolution, started at the turn of the 21st century (Brown, 1999; Brown, 2001a; Brown, 2001b; Brown, 2001c; Brown, 2003; Brown, Kozinets, Sherry, 2003b; Brown, 2013). Nowadays, retro marketing is perceived as rampant (Stephen Brown, 2015). Looking back approach is increasingly becoming a way to accommodate changing consumer behaviour. Although a retro-marketing approach involves looking to the past for marketing inspiration (Dacko, 2008), retro is not just a marginal movement (Castellano et al., 2013). Furthermore, the future of marketing is argued to lie in its past (Brown, 2001b).

In the context of the retail space, it has been suggested that the essential interplay between product, ritual and aesthetics creates positive moods of belonging and sharing and may increase satisfaction (Hamilton, Wagner, 2014). In addition to brand's physical attributes, brands that are associated with life event experiences can be stored in consumer memory (Ratnayake, Andrews, 2016). Consequently, brands can acquire deep meaning for consumers by their involvement in the socialization process of growing up, and can evoke profound feelings of nostalgia and provide comfort from insecurity (Rosenbaum-Elliott, Percy, Pervan, 2015).

As stressed by Hallegatte and Marticotte (2016), consumption related to the past is trendy. Nowadays, retail environments are designed intentionally to evoke memories of the past (Babin an, Borges, 2009). In general, nostalgia is widely considered to influence attitudes and behaviours (Clay Routledge, 2015). Therefore, nostalgia evoked by brands is at the forefront of contemporary marketing theory and practice (Bartier, Friedman, 2013).

To advance understanding of retro brands in the retail environment, the paper presents the results of an extensive review of the recent literature on retro branding phenomenon. The purpose of the paper is to identify the main features of retro branding and retro consumers in the retail environment and to determine a framework for further analysis. To this end, the paper is divided into five sections. Following the introduction, the concept of retro branding is presented in the second section. The third section looks at the features of retro consumers, whereas directions of future work on both retro brands and consumers are analysed in the fourth section. Finally, some conclusions are drawn in the last section.

THE CONCEPT OF RETRO BRANDING

The term “retro branding” is generally defined as an alternative form of brand extension (Solomon et al., 2006). Retro brands usually refer to relaunched historical brands with updated features (Stephen Brown, Robert V. Kozinets, and John F. Sherry, 2003a). According to Kral (2012, p. 115), “retro branding refers to the revival or re-launch of a product or service brand from a prior historical period, which is usually, but not always, updated to contemporary standards of performance, functioning or taste”. Similarly, Fons Van Dyck (2014) underlined that retro brands integrate old-fashioned design with modern functionality. With these new features, retro brands are “refitted into the market as a hip, new contemporary brand” (Franzen, Moriarty, 2015).

In that context, retro brands are recognised as a relatively safe and less-costly way to introduce a new product by reducing the risk of failure (Kral, 2012). As described by Kardes, Cronley,Cline (2011), marketers are taking successful old brands, updating them, and relaunching them with the hope of leveraging consumer nostalgia. On the other hand, Shetty, Raghavendra, Jyothis (2014) stressed that reviving the brands could be very risky and complex, especially when they inherited negative perceptions.

It is important to highlight that nostalgic brands are sometimes mistaken for retro brands. Although retro brands are perceived as nostalgic (Hemetsberger, Kittinger-Rosanelli,Mueller, 2010), a distinction should be made between retro brands and pure nostalgic brands. As stressed earlier, the major difference is that retro brands include the attribute of updating. Further, Dahlen, Lange, Smith (2010) linked the trend for retro brands with "nostalgic associations which transfer us to a different place or time in our lives through memories of family, youth or formative years". In the sense of nostalgic attachment, it is argued that the brand should evoke pleasant memories because the consumer used it in the past (Chernatony,McDonald,Wallace, 2011).

In addition, Brown, Kozinets, and Sherry (2003a) emphasized that retro brand management involves an uneasy, cocreative, and occasionally clamorous alliance between producers and consumers. Moreover, Brown (2016) addressed boomerang brands as a suitable metaphor for the rise of retro brands. Apart from being nostalgic objects, retro brands can be seen as identity building by providing strong historical value systems to identify with (Hemetsberger, Kittinger-Rosanelli,Mueller, 2010). Likewise, Brown, Kozinets,Sherry (2003a) emphasised that retro brands invoke brand heritage that triggers personal and communal nostalgia.

Additionally, Strauss (2008) argued that the current boom in retro brands had a strong foundation in the trustworthiness of, and experience with, old brands. Further, Balmer (2017) noted that retro brands celebrate an idealised and, sometimes imagined, past. In light of this, Hartmann, Brunk,Giesler (2016) developed a conceptual model of brand retrofication highlighting co-constitutive identity and retro branding relationship of commercial and political mythmaking.

REVEALING RETRO CONSUMERS IN THE RETAIL ENVIRONMENT

As observed by Levy, Weitz, Grewal (2014), the value of the brand is largely based on the associations that customers make with the brand name. With this in mind, many researchers associated retro brand consumption with feelings of nostalgia (Brown, Kozinets, Sherry, 2003a; Brown, Kozinets, and Sherry, 2003b; Dahlen, Lange, Smith, 2010; Schlegelmilch, Bodo, 2016; Solomon et al., 2014; Hemetsberger, Kittinger-Rosanelli, Mueller, 2010). However, Andrew Higson (2014) pointed out that the post-modern version of nostalgia erases the sense of distance between the past and the present. Furthermore, Baines, Fill (2014) addressed feelings of pseudo-nostalgia as many consumers are unlikely to have experienced the original brand. Notwithstanding, as stressed by Shaughnessy (2015), what is nostalgic for one audience is not necessarily nostalgic for another.

Consumers are said to search for the brands that deliver additional value connected with feeling of security and calm (Grebosz, Pointet, 2015). Likewise, Ling Zhou et al. (2013) noticed that existential insecurity and social insecurity enhanced consumers' preference for nostalgic products. In addition, Bartier (2012) outlined three characteristics that form the power of nostalgia toward the brand, i.e., perceived oldness of brand, recall of consumers' lived or learned past memories and elicitation of feelings. Further, Lemmetti,Tuominen (2017) pointed out that nostalgic brand associations could be drawn from either consumer's personal or communal associations.

Retro product consumption is often considered with psychological factors contributing to individuals' desires to live in the past (Cartwright,Besson, Maubisson 2013). It is also argued that nostalgia is intensely personal and that it works the best for current consumers who have personal attachments with the brand that they used during childhood (Sultan, Muehling, Sprott, 2010). Furthermore, LaTour, LaTour,Zinkhan (2010) found that memories from early childhood were more predictive for understanding current brand attitudes than memories coming from adolescence.

Specifically, Muehling (2013) reported that responses of a personally nostalgic nature tended to predominate and were more influential in shaping brand attitudes. According to Schlegelmilch (2016), personal nostalgia is associated with individual life cycles. Consequently, a growing number of older people is likely to be more interested in retro brands that help them to remember their youth. For example, i Kusumi,Matsuda, Sugimori (2010) claimed that aging facilitates a predisposition toward nostalgia. On the other hand, Hemetsberger, Kittinger-Rosanelli, Mueller (2010) confirmed that young consumers perceived retro brands to be special possessions that helped them coping with ambiguities in their search for identity.

In addition, retro consumers are considered to be tourists consuming a form of cultural heritage (Franklin, 2002). In light of this, Brown (2003, p. 131.) outlined that retro cunningly appeals to consumers' anti-marketing sentiments. The results of the study by Dogerlioglu-Demir et al. (2017) revealed that high value integration consumers compared to low value integration consumers evaluated retro brands more favourably. In terms of eco-consciousness, consumers of retro style are often involved in reuse and renovation, and are less likely to purchase newly produced goods (Southerton, 2011).

LOOKING BACK – SEEING AHEAD: RESEARCH PROPOSITIONS

Bearing in mind the distinction between nostalgic brands and retro brands, the characteristics of retro consumers have not been dealt with in depth. Although nostalgia has a strong presence in the marketing of goods and services (Lasaleta, Sedikides, Vohs, 2014), the impact of nostalgic emotions on retro brand consumption is still poorly understood. In general, little is known about the role of nostalgia in shaping consumer behaviour for retro products. In fact, what is known about retro consumers is largely based on the links between retro brands consumption and feelings of nostalgia.

However, what directions should future retro branding research take? The role of consumers' affective state on their responses to retro brands are an intriguing area of research. The effect of nostalgic feelings on customers' attitudes toward retro brands should be analysed. In that sense, previous work has failed to address the effects of personal and historical nostalgia on consumers' responses to retro brands. Likewise, the question arises how the type of nostalgia evoked influences consumers' attitudes toward retro brands. Gender differences appear to be worthy of future research, especially in terms of the impact of nostalgic feelings on consumer preference for retro brands. In addition to exploring gender differences, future research attention should also be devoted toward examining the impact of culture on the consumer relationship with retro brands and the overall cultural consumer environment of retro brands.

Nonetheless, little academic research has attempted to determine whether past brand associations influence purchase intentions of retro consumers and their attitudes toward retro brands. In addition, further work needs to be carried out to examine the impact of retail atmospherics on consumer behaviour associated with retro brand consumption. In light of this, Foster, McLelland (2015) proposed a brand dictated "theme" to create a more interactive, immersive, and authentic environment. Further, it is argued that evoking nostalgic feelings through design can generate positive emotions to enhance consumer satisfaction (Chen, 2014). As regards packaging-related experiences, future work should also concentrate on the impact of nostalgic emotions on consumer satisfaction with retro packaging design.

Evidence suggests that consumers having nostalgic feelings toward a specific brand sometimes respond negatively to updated or modified versions of the brand Shields, Johnson, 2016). In that context, the field of retro branding requires improved knowledge about effect of consumers' brand nostalgia on their responses to changes to a brand. The findings would

provide insightful implications for marketers and retailers by identifying meaningful relationships between nostalgic feelings and retro brands.

In addition, deeper understanding of consumer behaviour in retro context in needed. Moreover, the links between consumer age and preferences for retro brands are worth examining. Further studies on the topic should also address the main differences in retro brand attitudes between different generational cohorts (e.g., Baby Boomers, Generation X and Generation Y). Additional research is also needed in the area of consumer decisions, in particular the effects of retro marketing on consumer decisions. This is especially relevant for marketers in order to choose appropriate marketing and communication strategies to approach retro consumers.

CONCLUSIONS

As discussed earlier, over the past two decades, there has been a growing interest in the issue of retro marketing, in particular retro branding. In general terms, it can be argued that the concept of retro branding is well defined. On the other hand, there has been little discussion on retro consumers and, in particular, on determinants of consumer behaviour related to retro brands. Specifically, the evidence from the previous sections implies that the issue of retro consumers remains an under-researched topic. Nevertheless, due to the complexity of consumers' nostalgic feelings, thoughts and memories, an interdisciplinary approach should be considered to cover the issue in more depth.

The paper provides the synthesis of the most current theoretical and practical knowledge available on retro branding in the retailing environment. As such, the paper can serve as a basis for conducting future empirical research in the field. The findings presented in the paper may be useful to all subjects involved in creating retro philosophy of a brand. It also provides useful insights for retailers and marketers approaching retro consumers and developing retro products to meet their requirements.

However, in the context of retail environment, future work should primarily deal with triggers affecting retro brands consumption, as well as memories related to retailing experiences. Additionally, Hamilton, Wagner (2014) underlined that the emotional value of everyday experiences might directly influence consumer loyalty. Consequently, enhancing consumers' relationship with retro brands may result in improving brand loyalty. For these reasons, understanding retro consumers is crucial for both retailers and marketers in order to target this market segment more effectively. Finally, bearing in mind that no empirical analysis has been undertaken, the paper lacks a contribution to the field from an empirical point of view. To this end, additional research is needed to provide empirical support to broaden current knowledge of both retro brands and retro consumers in the retail environment.

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SCIENTIFIC REVIEW

Constituent elements of political marketing in creating a positive attitude for voiting for a particular candidate

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ABSTRACT

This study was conducted to draw the structural model of constituent elements of political marketing in one of the large governmental organizations in Gilan of Iran. For this purpose, we randomly selected 217 subjects who completed the questionnaire. The results showed that seven major factors, economic, political, social, cultural, marketing mix, personality, and supporting individuals and factions, are involved in political marketing. Moreover, the strongest factor influencing political marketing has been economic indicators ($p<0.01$). Political, social, and cultural factors, as well as marketing mix with standard coefficients of 0.39, 0.30, 0.32, and 0.33, respectively, are the factors that directly predict political marketing ($p<0.01$), and variables such as personality and supporting individuals and factions indirectly affect political marketing.

KEY WORDS: *marketing mix, political marketing, economic factors*

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INTODUCTION

In current political world, competition to achieve important positions, directly or indirectly, gained by People's votes (Abramowitz, 1989). Thus, the process of creating desirable social attitudes in area in question is very important for each candidate that determines his future in reaching the target and specific post. Various management and psychological policies are involved that lead and manage this process to achieve this goal and to win the popular vote. Among these elements, functional positive publicities to achieve the goal and win the popular vote are of the most effective factors. One of these techniques in this process is political marketing that has specific plans to achieve specific political and management goals directly with simultaneous application of management, political, and psychological techniques (Abramson et al., 1992). The first use of political marketing is attributed to Kelly (1957). In many ways, political marketing is similar to marketing in business world. In business marketing, vendors release goods, services, and communications (advertising) to the market and in exchange for money (through customers' purchase), information (through market research), and customer loyalty (Aharony, 2012). In political campaigns, candidates offer promises, advocacy, policies, and their personal features to their voters, and in return receive votes and voluntary contributions (Andrews, Kaplan, 2015). Therefore, although these two processes have the same general principles, in enforcement of tactics sometimes use different techniques according to their goals. Political marketing is generally defined as facilitator of social process of political exchanges, whereas management of political marketing is defined as the art and the science of successful management of this exchange process (Bendle, 2014). There are different discussions and opinions about the use of political marketing in elections campaign (Bendle, Cotte, 2016). Using fields and management components in elections and political marketing is not something completely new, but combining this method with psychological skills and guiding public opinion towards advertising is something new in the area.

DIFFERENCES IN COMMERCIAL MARKETING AND POLITICAL MARKETING

The first difference between commercial and political marketing is related to work load of these two areas: unlike commercial marketing, in political marketing, a few groups and small parties are active (Bendle, Nastasoiu, 2014). The second difference is in indicator of time. Unlike commercial marketing that is done on an ongoing basis (Bendle, Ryoo, Nastasoiu, 2017), political marketing is sometimes done with long intervals. The third difference is in the need to get public opinion (Bendle, Wang, 2016). As specified, in business marketing, even one percent or much less is acceptable and sufficient, whereas in the political sphere, the effort is to achieve more than 50% of the votes and tendency of society. Concerning the most important differences between political marketing and business components, (Berenson, 2016) have referred to deployment time, cost, market, rate of control, complexity, loyalty, and change of attitude.

Political marketing encompasses a variety of traditional and modern tools. The major traditional tools in this area include the presence of celebrities, comparative advertising, destructive promotional projects, catching red handed, and so on. Some new methods include network advertising, call centers, bogus surveys, and so on. Political branding and marketing are concepts tied to the elections. Branding and political marketing are concepts that strengthen trust between the characters, leaders, political parties, media, voters, and audience. Trust plays an important role in any market whether political or commercial in connection with trade and political consumers. Thus, trust is a crucial element and this principle is important because now trust in politicians and political parties has declined (Berg, Nelson, Rietz, 2008). Several studies have investigated the role of political marketing, of which (Bode, Dalrymple, 2015) can

be noted. In his study, on political marketing in Indonesia, he showed that different candidates repeatedly use techniques based on political marketing to win votes, and he considered this effective in gaining results and receiving the public votes. In studying people's attitudes towards voting for a particular candidate, based on a survey by Zaverata in Mexico, (Chang et al., 2009) showed that political marketing and proper advertising derived from this management component play a very effective and important role in the selection of candidates by people. In a study with the aim of behavioral examining of voters in America and Poland and delineating the structural model of this series, (Collinson, 2015) showed that the set of components related to political marketing in management and psychological areas affects the behavior of voters and their choices. In a study to investigate the role of politics in trade and vice versa in a part of their study, (Conway, Kenski,Wang, 2013) showed that commercial and political variables are involved in each other and each of them is involved in another variable. In other words, political variables manipulate trade variables, and different variables such as political marketing are involved in people's opinions and their economic and political elections.

What is identifiable from previous research and existing components of political marketing is its very influential role in the electoral process and attracting people towards the person concerned. In other words, the purpose of commercial marketing is to gain consent and receive money and material resources of the people, but in the field of political marketing, the trend is toward people's vote and selection of the concerned candidate by people.

Research model

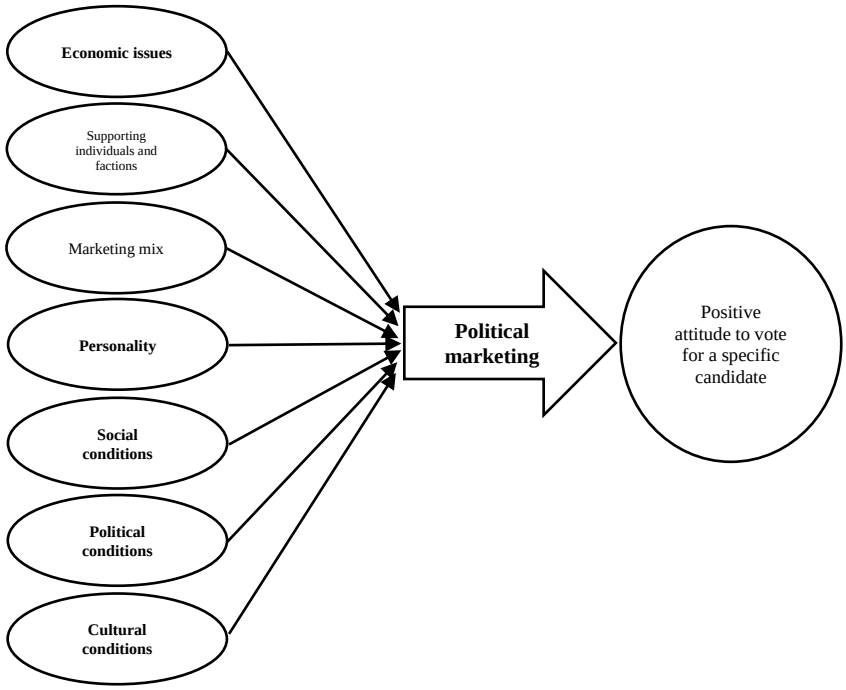

Figure 1:Conceptual model

As the model shows, overall, many factors are invloved in political marketing that given the main components forming these issues, in this study political marketing includes economic factors, supporting individuals and factions, marketing mix, personality, social, political, and cultural conditions. When slogans of political and social reform as well as the supporting factors and fractions, and the factors affecting the society support a particular person in society,

they provide the ground for the selection of the candidates in question. Moreover, marketing mix and so on are involved in this process and creating a positive attitude one way or another. In describing the model and research components about political marketing, seven factors were described as the following:

Economic factors: this factor is directly involved with financial condition and people's economic power. Indices based on economic factors in community are the main indices of social welfare and welfare of people (Bode, Dalrymple, 2015). Various studies indicate the effectiveness and impact of economic factors on life satisfaction and social satisfaction in society and positive attitude towards politicians with optimal economic attitude (Andrews, Kaplan, 2015).

Supporting individuals and factions: figures and celebrities supporting are primarily divided into two main branches: politicians and artists. About art figures, in other words, advertising brands, research has demonstrated that give their votes due to the superficial and andvetising apsects of the figure in question who is supported by these people (Bendle,Cotte, 2016). If ideas, and principles of these goups and implementation history of factions and political patron supporting one person are discussed among people, and if they are appropriate to the particular person who is approved, they will vote for him (Bendle, 2014).

Marketing mix: marketing mix is the combination of different methods in this field, or it means that a systemic and coordinated attitude should be established among the members to affect the customer. In fact, in this method, the combined principles applied are based on attracting the votes of the people not retention and attraction of income. In this method based on composition, people's mind is focused on the intended candidate's by combining psychological principles (Aharony,2012).

Personality: personality includes identifiable patterns of thinking, emotion, and behavior that make up the style of the person's personal interaction with social and material environment (Bendle, Nastasoiu, 2014). About personality components of the candidates in question, it is noteworthy that according to research conducted primarily social, extroverted, and cheerful figures are more charming and attract people more. In political figures, research has shown that people show tendency towards those who are primarily steadfast, cheerful, social, and have high self-confidence (Bendle, Ryoo,Nastasoiu. 2017). Thus, character and personality factors are very important for people.

Social conditions: Social status and conditions associated with it, such as the form of education, per capita studies, social organization, and so on are of the factors influencing public opinion and their support of the ruling party and the people under their rule or against it. In other words, this component encompasses partisan issue more rather than the person himself and people. Therefore, this component is very effective in the attitude of people (Bode, Dalrymple, 2015).

Political condition: A political party can only gain and maintain public support when the time of scheduling and decision on the nomination, it maintains its relationship with the public. Therefore, this indirect political effect of opinions and beliefs of people with direct result of the political situation, which arose from political slogans and titles based on the relationship and policy of reform and restructuring will directly affect public opinion (Collinson, 2015).

Social conditions: in a structural way, while having a clear association with social and political issues, cultural conditions include common principles and foundations of any society and traditional beliefs of any society (Bendle, Ryoo, Nastasoiu, 2017). In other words, people from different nationalities have definite basic cultural principles they adhere to and value their traditions and values greatly. Various studies have shown that always in the electoral process for popular vote, candidates with slogans and programs based on preservation of cultural issues have more chances to win votes and support (Bendle,Wang, 2016).

MATERIALS AND METHODS

In this study, according to the area, we collected the required information through field study and library methods. In the field method, research questionnaire was distributed among the research subjects and the results were obtained from analysis of questionnaire. However, in the library method, we used taking notes and referred to the library to get the most recent available resources in this field. The population in this study includes the employees of a state-owned enterprise of Gilan in iran with its subsets. We need sampling to conduct research and to complete the questionnaires. We have used Cochran's formula with error level of 5% and the result is 170. In this study, 217 employees were randomly selected and completed the questionnaire. We used a questionnaire to assess political marketing. The questionnaire has 30 questions, whose content validity was confirmed by professors, and after deleting and modifying some of the questions, the 30-question questionnaire was administered to 30 subjects as a pilot and after removing and correcting content deficiencies, the final questionnaire was conducted on the main sample. We used Spss and Amos to check the validity of the questionnaire.

First, we used factor analysis to evaluate its construct validity, and using it, we determined factor structure of the questionnaire. The adequate size of sampling, Kaiser-Meyer-Olkin (KMO) is the test of variance within the data, which can be explained by factors. As KMO value is closer to one, it is better. According to Kesser, KMO higher than 0.9 is excellent, 0.8 is qualified, 0.7 is better than average, 0.6 is average, 0.5 is bad, and less that is unacceptable. The KMO for political marketing questionnaire was 0.902 that is at excellent level. Thus, factor analysis showed seven main factors for the questionnaire: economic factors, supporting individuals and factions, marketing mix, personality, social, political, and cultural conditions. Internal consistency of the data for the whole test is 0.915 according to Cronbach's alpha. This measure for the sub-scales economic factors, political conditions, cultural conditions, personality, marketing mix, supporting individuals and factions, and social conditions and cultural conditions is, respectively, 0.708, 0.756, 0.830, 0.873, 0.724, 0.705, and 0.814. As the value of Cronbach's alpha for the whole questionnaire and all subscales is more than 0.7, the questionnaire is reliable and appropriate tools for measuring political marketing.

RESULTS AND DISCUSSION

Components of political marketing and their relationships with each other

The key components of political marketing, as stated in the research tool, are economic factors, supporting individuals and factions, marketing mix, personality, social, political, and cultural conditions. The following table shows the relationship between the variables investigated.

Table 1: Correlation matrix between variables

Row	Variables	Mean	SD	1	2	3	4	5	6	7	8
1	Political Marketing	81.6	7.11	1							
2	Economic factors	0.8213	2.61	0.79**	1						
3	Supporting individuals and factions	0.1514	3.11	0.71**	0.42**	1					

4	Marketing mix	0.6512	2.21	0.44**	0.39**	0.41**	1				
5	Personality	15.8	3.75	0.64**	0.52**	0.43**	0.31**	1			
6	Social conditions	12.8	2.38	0.59**	0.63**	0.58**	0.61**	0.33*	1		
7	Political conditions	14.4	3.15	0.70**	0.56**	0.59**	0.64**	0.32*	0.64**	1	
8	Cultural conditions	16.8	5.32	0.81**	0.74**	0.71**	0.70**	0.29*	0.57**	0.60**	1

*<0.05 p *<0.01 p***

As seen in Table 1, there is a significant positive correlation between all variables. From among all components of political marketing, including economic factors, supporting individuals and factions, marketing mix, personality, social, political, and cultural conditions, and political marketing, except the relationship between personality and marketing mix that is significant at 0.05 level, in other components and sub-correlation, this is 0.01. We used structural equation modeling (SEM) to evaluate the model. As advised by (Bendle, Cotte, 2016), we first evaluated all possible direct and indirect routes of independent variables (exogenous) and dependent variables (endogenous). Structural model considered in this study included 7 latent factors and economic factors, supporting individuals and factions, marketing mix, personality, social, political, and cultural conditions were evaluated as independent variables and political marketing as the dependent variable.

The purpose of this model is to study the direct and indirect effects of economic, political, social, and cultural factors on mediator variables of personality, marketing mix, and supporting individuals and factions on political marketing.

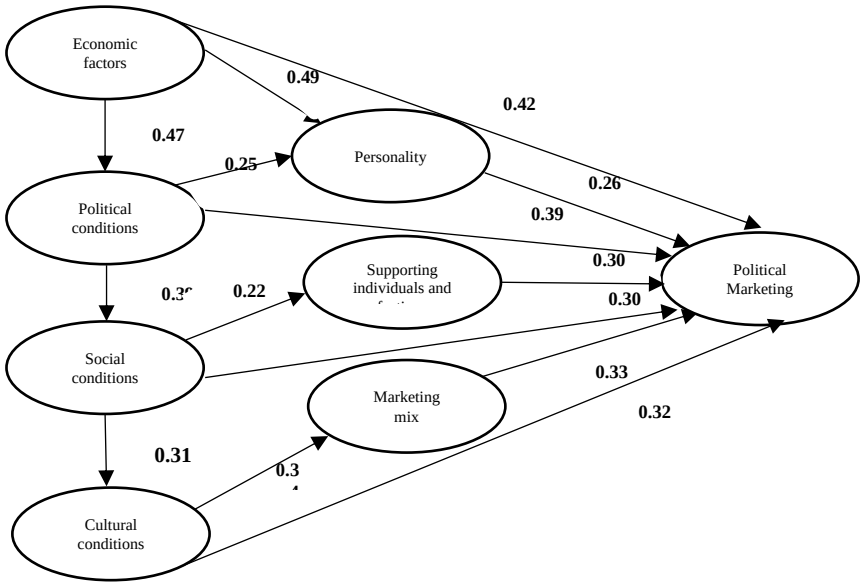

Figure 1: Structural model of constituent elements of political marketing

The strongest factor affecting political marketing is economic factor (p<0.01). Political, social, and cultural factors, as well as marketing mix with standard coefficients of 0.39, 0.30, 0.32, and 0.33, respectively, are the factors that directly predict political marketing (p<0.01).

Variables such as personality and supporting individuals and factions indirectly affect the political marketing. Based on the results of the final model, latent variables personality, factors and factions supporting effect coefficients are, respectively (B=0.26, P<0.01) and (B=0.30 P<0.01) is.

Table 2: Fitness indices of SEM

Statistical indicators	**AGFI**	**GFI**	**CFI**	**RMSEA**
Fit value	0.85	0.91	0.76	0.05

Table 2 shows the fitness of the model. SEM has fitness indices and structural modeling. The most common way to estimate the best fit in SEM is maximum likelihood method. From among five fitting statistics related to the model, we measured Adjusted Goodness of Fit Index (AGFI), Goodness of Fit Index (GFI), Comparative Fit Index (CFI), and Root Mean Square Error of Approximation (RMSEA) in this model. The closer GFI and AGFI are, the more complete the fit of the model is, and low RMSEA means the utility of the model fit. As the value of this index is closer to one, CFI utility shows more comparative fitness of the model (Allen Yen, 2008). Since AGFI=0.85, GFI=0.91, and CFI=0.76 and as the fitness indices obtained are closer to 1, it shows a better fit, and RMSEA equals to 0.05, the closer it is to zero, the more appropriate the fit is. This model has a very good fit and all structures are meaningful conforming to the model.

Table 3: Direct and indirect effects of exogenous variables on outcome variable

Structural relationships	**Direct effect**	**Indirect effect**
Economic factors	0.45	0.12
Political factors	0.42	0.11
Social factors	0.31	0.11
Cultural factors	0.36	0.09
Marketing mix	0.33	0.13
Supporting characters	0.11	0.32
Personality	0.09	0.31

Table 3 shows the results of economic, political, social, and cultural indicators (0.45, 0.42, 0.31, and 0.36) have a direct effect on the structure and their indirect effect are 0.12, 0.11, 0.11, and 0.09, respectively, so economic factor has greatest influence on political marketing. Political marketing is a new variable with many components that in politics and elections is used with the aim of using techniques based on psychological marketing and management to guide public opinion and votes to the intended candidate (Bendle, 2014). In this method, principles based on business and psychology, which are mainly used in sales of merchandise, are applied to draw positive attention to a particular candidate based on clear political and managerial rules (Bendle,Nastasoiu. 2014). In other words, these managerial rules enter emotional aspects of the public opinion and thus try to push people to vote for the person concerned. In other words, the person replaces the product and customer's money is replaced by vote. Although the whole picture is similar in political and business marketing, there are certain differences in the use of techniques. In this study, based on comments and questionnaire, and the results of research, the structural model was formed of factors affecting the formation of political marketing. The results showed that seven main components of political marketing are economic, political, social, cultural factors, marketing mix, supporting individuals and factions, and personality. Moreover, results obtained from this model showed the strongest factor affecting political marketing is economic factor. Political, social, and cultural factors, as well as marketing mix are the factors that directly predict political marketing, and variables such as personality and supporting individuals and factions indirectly affect political marketing. Moreover, the results from fitness of the model showed that the model is efficient and satisfactory. The research findings are consistent with the findings by (4-8). These results prove that the factors forming political marketing have general definite elements, and in many situations similar ones (according to its specific theory), by proper applying which and related solutions, one can guide the thought and public opinion in the intended direction.

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QUESTIONNAIRE

In the name of God

Dear respondent

Greetings and Regards,

The questionnaire is presented to investigate a proposed research project and all information is confidential and non-numbered, and there is no need to be introduced. Thus, please have the best cooperation and honesty in completing the questionnaire to achieve the research aims.

The questionnaire consists of two parts:

The first part includes demographic information: age, gender, education, and income.

The second part includes questions that measure the components of political marketing. In this section, according to your personal opinion, choose one of the options from very low to very high.

Thank you in advance for your sincere cooperation.

Sadegh Monem

• Gender: Male □ Female□

• Education level: to Diploma □ Associate's degree□ bachelor's degree □ Master's □ PhD□

• Age less than 25 years □ 25 to 39 □ 40 to 59 □ 60 years and over □

• Income: up to 2 million tomans □ 2 to 4 million tomans □ 4 to 6 million tomans □ 6 million tomans and more □

main factors	Questions	very much	A lot	Average	Little	very little
Economic conditions Political conditions	1. Advertising of the candidate regarding the aims of increasing the domestic production, supporting domestic industries and exports persuade me to vote for the person.					
	2. Economic slogans and financial welfare affect my vote a lot.					
	3. Advertising declining commodity prices and reduction of inflation and improving economic distribution affects my vote.					
	4. Financial pledges and increased pay or benefits by the candidate attract my attention and affect my vote for him.					
	5. Campaign promises to reduce the pressure (sanctions at the macro level and partially favorable market circulation) affect my voting for the candidate in question					
Political conditions	6. Advertising for changes in opaque and discriminatory rules (or the correct application of laws in problematic cases) make me sure to vote for the candidate					
	7. Activities of political and social groups and public and private institutions supporting the candidates affect my vote.					
	8. Slogan of political relations with other countries (political centers enhancing exchanges) has an effect on my vote.					
	9. Advertising political justice and getting public positions (partial and total) by capable people influence my vote.					

	10. Advertising slogans of political and expression freedom (within a city, state or country) influence my vote to the candidates.					
Cultural conditions and competitors	11. The use of cultural and advertising groups aimed at aculturation affects my vote to a particular candidate.					
	12 Advertising, cultural history and intended policies formulated by the candidate has affects my vote.					
	13. Cultural activities of the groups supporting the candidate affect my vote.					
	14. Advertising and cultural-based events for suitable use of resources affect my vote.					
Personality	15. Advertising in responsibility and doing previous duties of the candidate affects my vote					
	16. Advertising and expressing the agility and activity (dynamic, innovative, active and willing to serve) of the candidate affect my vote					
	17. Power of speech, and performing duties with seriousness and perseverance and advertising on it affect my vote to the candidate.					
	18. Programs and advertisement in the field simplicity and quiet life of candidate affect my vote					
Marketing mix	19. The rhetoric of the advertisement in regarding people and social responsibilities affect my vote to a particular candidate.					
	20. My impression of honesty in advertising affects my vote to the candidate.					
	21. The notification and transparency of information provided by the candidate affect my vote.					
	22. Making face to face connections with people and building relationships and specific and clear objectives affect my vote.					
Supporting people and fractions	23. Support of famous people of the country and city and province affects my vote to the candidate.					
	24. Support of a specific group of the candidate affects my vote.					
	25. The coterie and friends history of the affect candidate affect my vote.					
	26. The quality of setting up campaigns and organizations supporting and backing the candidate affect my vote.					
Social situation	27. Advertisement in the field of social and people-oriented programs affect my vote to a candidate.					
	28. Social attitudes and social foundations of the candidate affect my vote.					
	29. Advertisement about social relations and social customs and propaganda used by the candidates affect my vote.					
	30. Social status (education and employment) of candidate affects my vote.					

SCIENTIFIC REVIEW

An Examination of Agreement between the Parties on preceding the Time of Transfer the ownership from the Moment of Signing the Contract

Ali Arefi Maskoni[34], MohammadAmin PoorChangiz[35]

ABSTRACT

Based on their consequences, contracts are divided into different types, one of them being "possessory contract". The basic consequence of these kinds of contracts is actually alienating possession from one party to another. Since alienation – as the most perfect example of objective rights, which give the owner the authority to possess all the possession – can be the source of various rights and obligations for the transferor and the grantee, the way and time of transfer, including sale, has always been of interest to lawyers. Following the jurisprudence, Iranian law has accepted alienation as a principle in the concept of possessory contracts from the moment of signing the contract (which can be different in consented, objective or ceremonial contracts regarding the cause). But the effect of the interactive parties' will and agreement in advancing or postponing this time has rather been ignored.

This paper examines validity in the condition of advancing alienation from the time of signing the contract in order to resolve disagreements and reach a proper solution in this regard. This has been done through searching through library resources including juridical and law books and related laws in descriptive analysis method and gave us the results that, firstly, at the time of signing the contract, alienation requires assigning possessory contracts and not the contract itself.

KEY WORDS: *possessory contracts, Transfer the ownership, The Condition of Advancing Alienation, Iran's Law.*

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INTRODUCTION

Iranian civil code does not mention classifying contracts into promissory and possessory contracts in the chapter regarding types of contracts and commitments (articles 184-189). But in article 825 on wills according to jurisprudence, it divides wills into two types of promissory and Accrual. It also mentions or explains the effects of certain contracts while defining them; including contract of sale (article 338), lease (article 466), donation (article 795) and debt (article 648) in possessory contracts, and contract of reward, (article 561), guarantee (article 684), bailment (article 734) and assignment (article 724) in promissory contracts. But apparently, the civil law has taken the promissory and Accrual concepts for granted, or put the jurists in charge of explaining them, so it gives no definition of these two words in the articles above. Iranian law literature states the following on promissory and possessory contracts: "a possessory contract is a contract through which alienation is done; i.e. the object of transaction is taken out of one party's possession, which is the transferor, and is brought into the other party's possession, which is the grantee. A promissory contract is one that creates religious right and obligation for a party regarding the other party; or for each of the parties regarding each other" (Emami; 1366, p. 67). Regarding the time of alienation in possessory contracts, and without specifying any conditions, the first clause in article 362 of Iranian determines, through a general law, that the possession of the object of sale is transferred to the purchaser "upon the sale". It seems as if this article is an implication of the famous opinion of Shia Jurisprudents who believe the alienation of the object of sale to be instant and simultaneous to signing the contract. The Jurisprudents explain this famous theory on their stands through this sentence: "The sold possession is taken into the purchasers possessions as soon as the contract is signed". Using this theory through this sentence is so common that it can be known as a rule (Jafari Langeroodi; 1381, p. 226), and in this paper, we also use it as the rule of instant alienation.

The subject of this paper is whether the aforementioned rule and the rules regarding the alienation of some contracts in Iranian law and jurisprudence is known as a peremptory rule, or it is one of the alienative rules of choice and therefore, a mutual consent and agreement against them is also possible. Of course, considering the fact that agreement on changing the time of alienation includes the two states of advancing and postponing the alienation time and it is not possible to study both of these hypotheses in this paper, we only examine the two parties' agreement on alienation before signing the contract. For this purpose, we first need to examine whether the two parties' will is principally capable of totally changing the effects of the contract, including the time of alienation (speech 1), and then examine the effect of the two parties' agreement on the subject of this paper, which is advancing the time of alienation (speech 2).

Speech 1: The Effect of the Two Parties' Agreement in Changing the Contract's Consequences

This session is mainly about studying the two parties' willpower to change the contract's consequences. The purpose is to see whether the two parties are able to separate the time of alienation from the time of signing the contract. To find the answer, a study of the two parties' willpower regarding general rules in contracts is required. We know that signing the contract, and the contract's consequences are two separate issues and the parties' will is usually dominant in signing the contract. For instance, acceptance should correspond with requirements, and through the requirements, the parties can specify conditions for acceptance; however, what is required, and the correspondence between the requirement and acceptance etc. are rules that depend on the condition of the contract's accuracy, and therefore the parties have no authority for changing them. In this regard, one of the discussions worth paying attention is suspending the contract's consequences, and its validity or invalidity. Iranian civil law does not give an explicit answer to this question. The Shia jurisprudence, which is one of the basic inspirations

for Iranian legal system, has dispersed opinions as well. In general, there are two views regarding the two parties' authority: Some consider the contract's consequences to be lawful, and also believe separating the cause from the caused to be logically impossible. On the other hand, rejecting the aforementioned reasons, another group of Jurisprudents and lawyers respect the parties' will in changing the contracts' consequences. The following sessions explain each of these two views:

A.The View of Negating the Parties' Authority

This view questions the parties' authority in determining the contract's consequences in two aspects: One being the lawful nature of the contract, and the other, believing the separation of the cause from the caused to be illogical. Each of these aspects is described as follows:

1.The Lawfulness of the Contract's Consequences

Some believe that the contract's consequences have lawful nature. In this view, the contract's consequences are not caused from the parties' will, but they are lawfully regulated. The role of parties' will is to merely create a seeming cause called a contract to have its specific consequences according to the rule of the law and lawyer. Therefore, the role of will is limited to signing the contract: "Contracts are lawful causes and their consequences are by virtue of laws of scripture (Qare-Daaqi; 2002, p. 61). Accordingly, the parties' agreement cannot determine the time of alienation, and determining this time is exclusively based on law.

2.Impossibility of Separating the Cause from the Caused

As soon as the cause is created, the result and caused is also ascertained. Separating the cause from the caused is impossible (Najafi,1394). The contract of sale is the cause of possession, and as soon as the sale is done, the purchaser should become the owner, and the seller should be the price owner. The author of "Javaher al-Kalam" (Priceless Words) writes the following mandate contract: "One of the conditions is that, like other contracts, it will be incontrovertible… due to the conflicts of the condition of suspension with the necessity of connection between cause and the caused, which is one of the reasons of causality in acquired contracts" (Najafi,1394). By the connection between the cause and the caused, the author means the separation of cause from caused: i.e. the caused will be created as soon as the cause happens, and separating them is impossible.

B.The View of Accepting the Parties' Authority

The first view have been criticized, saying that firstly, the contracts' consequences have a willful nature, and secondly, there is no rational prohibition for accepting the separation of the contract's consequences (caused) from the contract itself (cause), according to the following reasons:

1.The Willfulness of Legal Actions

Some of the Jurisprudents and lawyers consider convention as the source of knowing the contracts' consequences and requirements, and limit the role of laws of scripture only to the conditions of their validity and obstacles. In this regard, in order to know the consequences of a contract as well as finding whether the rules regarding contracts are imperious, we should refer to conventions (Khouei, 1414). In other words, people have made contracts based on their needs, and they determine a contract's consequences based on the same needs. This process was done for specific contracts in the past, so that today people sign unspecified contracts with the same method and determine the consequences on their own. Therefore, here people create these contracts and determine their consequences based on their needs. However, there are cases where law has also a significant role in determining the contract's consequences: In contracts regarding job, family, insurance, social security, business companies etc. But it seems law does not have a significant role in determining the consequences in financial contracts. Basically, the role of law in the contract's consequences is a signature role as well as interpretive,

supplementary and deterrent (Katoozian, 1380). When law introduces the contract's consequences, it actually shows the individuals' typical and common demand from a specific contract, and is sometimes in order to complete the contract. On the other hand, it does not accept contracts that will result in violating ethics, public order and peremptory norms.

The view of considering the contracts' consequences to be lawful actually reminds one of the view that contracts are social. In this view in law, the contracts are rules for administration of justice or avoiding injustice, and not just an explanation of the parties' agreement. Based on this interpretation about contracts, and due to the legislators' interference in making regulations regarding public order, ethics, and supporting the rights of the third parties, insuring commutative justice between the contract's parties has been restricted and the parties' agreement is still determinative. If we consider the contracts' requirements to be lawful, we have assumed the contract to be a legal event in a way. However, all legal systems can be divided into legal event and legal action (Katoozian, 1380). The consequences of usurpation are determined by law, but the same law leaves the consequences of contracts to the parties. It is as though the existence and nature of the contract is a creation of the parties' will. Therefore, the same creating will can omit or change the contract's non-essential consequences. Hence, we should say that basically, the law of scriptures or law does not determine the contract's requirements (Ansari, 1425); since the contract's requirement depends on the people's needs. The role of law is just to verify and sign this means in order to reach the wanted results. Therefore, what is important in the beginning is not that a specific contract necessarily requires a specific result, but it actually should make sure that it will result in what the parties intended.

2.Accepting the Separation of Cause from Caused in Credential Affairs

The impossibility to separate cause from caused as one of the reasons in the first view, has two arguments by itself: On one hand, according to general intellectual rules, it is impossible for the caused to violate the cause. As soon as a cause happens, the caused is instantly created. On the other hand, the consequences of contracts will be reached as soon as they are required and accepted: signing the contract is the cause and its consequences are caused (Qare-Daaqi, 2002). In this regard, it is said that, firstly, there is a difference between the cause and the requirement: the final cause is created from the requirement and lack of obstacles (Jafari Langeroodi, 1382), and what is connected to the caused is the final cause. But the cause can be separated from its requirement. An example is pending contract, which has accepted validity in Iran, but its consequences are postponed until the time of receiving the pending object (Ghasemi, 1382). Secondly, assuming the definite causality is accepted for requiring and accepting the contract, we should say that law is the world of interests and validity, and the rule of natural cause and effect should not be used in contracts and rhythmic (Langeroodi, idem). "The form of credit balance is no more than the world of credit, therefore these are created upon credit and they do not need to be materially existent. Hence, credit is suddenly dependent to present time. So the validator validates his house's ownership to someone else at present time. In another instance, the credit is a matter in the future, such as property credit for a person after a specific time, in a way that the testator's will gives credence to the legatee. Here the present's validity and its effect are related to the future" (Khouei, 1414).

In other words, the experts who agree on advancing alienation in sale believe that the idea of contrast is because the ownership is considered to be an external reality; while it is a concept made by mind and also a means for better representing the authority to exclusive exploitation of property. By agreeing upon advancing the alienation, we mean that the seller will not only give the customer the exclusive authority for the object of sale, but he also gives the results of privileges that he had considered in the intended advanced date. The convention's simple mind accepts this consent and doesn't consider it to be impossible. Article 258 in Iranian civil law also states: "In regard of financial interests which are under unauthorized transactions and also

the interests gained from its alternative, authority or rejection will be effective from the day of signing the contract" and verifies the same view. Of course, some may say that the article 258 is about interests and does not speak of the object itself (Shahidi, 1380). Therefore, the legislator actually validates the authority in relation to the ownership of the object of transporter and the ownership of interests. Assuming this is true; the legislator still considers the previous benefits of the object of sale to be the purchaser's property, and the purchase money's previous benefits to be the seller's property. When authority can transfer the benefits from the past, which do not exist now, to the purchaser, then the theory of willpower in the past is verified. Therefore we can expand what this article means by "in relation to interests" to object ownership and the benefits of the object of sale and the personal purchase price from the first day, and say that the legislator knows the ownership of interests to be credential. Using this article and the fact that legal natures are credential, we can accept the principle of freewill to create any legal nature at any time (Katoozian,1366).

Speech 2: The Parties' Agreement on Advancing the Alienation time in Possessory contracts

In the previous session, we discussed the credence of the parties' agreement regarding the changing of the contract's consequences in general, and after discussing the reasons of two groups of Jurisprudents and lawyers, we found out that accepting the two parties' authority in changing the contract's consequences seem logical. In this article, we examine whether the parties' agreements in advancing the time of alienation in possessory contracts corresponds to these contracts' specific characterization. In other words, we should see whether the condition of advancing the time of alienation contrasts with the requirements of creating it. I.e. is "time" matter of the nature of possessory contracts for alienation, or is it a matter of using them?

In this regard, some believe that instant alienation is part of the nature of possessory contracts such as selling, and therefore, not only agreeing upon them is invalid, but it also cancels the contract. While another group believe that the contract's requirement and the real intention of possessory contracts is transferring the ownership of the object of sale and the purchased price, and not necessarily transferring them in a specific time (Ansari, 1425).

As some masters have said in this regard, "we should not assume that instant alienation without any conditions about the object of sale and the purchase price is a requirement of the sale: The alienation is done, but only through the condition that the subject of the contract has the capability" (Katoozian, 1380).

According to what has been said, the requirement of the nature of contract of sale is only alienating the object to the certain alternative. If the object of sale is specified at the time of signing the contract, this alienation can be instantly be done (instant alienation) and it can also be done after signing the contract and at the time of determining the applicable object for the described object of sale (general sales). Therefore, when the object of sale is determined, there is no problem in alienation after the parties' intended conditions are reached. Article 469 in Iranian civil law also explicitly mentions this latter part and states: "the time of lease starts from the day determined between the two parties. If the beginning of the time is not mentioned in the lease contract, the time of signing the contract will be considered". This shows that the condition of target date in alienation will be valid if the alienation is postponed for a while. Accordingly, many lawyers believe that the two parties can postpone the alienation for some time.

Of course, the truth is that the requirement of the contract of sale and other possessory contracts is not the urgency of alienation, but the transferring itself, with no regard to the time of signing the contract. At that time, since the cause of alienation, meaning the parties' will is there and this will has demanded the alienation at the same time, then the alienation will be done at this time. But there will be no obstacles if the same will demands the alienation to be done in another time and under better conditions.

On this basis, we should state that agreement upon advancing alienation from the time of signing the contract, for instance, in a way that the two parties sign the contract of sale today under the condition that the consequences, i.e. alienation are done beforehand, is valid in Iranian law.

Another question is whether it is necessary that the agreement is made as a consequential condition at the time of possessory contract and in the form of an obligation in the contract itself. Or will this agreement still be valid and effective if it is done independently apart from this contract or upon signing another contract? It seems like the parties' agreement should be reached conditionally at the time of signing the original contract, since this condition lacked a subject before signing the contract, and the alienation has been completely done after signing it and therefore, there is no consequence to it. Also, we should find how the effect of this condition would show in practice. When someone says that he will sell you his car and set the date of contract to two months ago, it means that he will give you the results of interests he has received since two months ago (Katoozian, 1384).

The ownership of the car has had consequences in the past two months: for instance, its interests belonged to the owner at that time, and if any harm has been done to someone through this property, the owner of that time has been taken responsible (article 333 of civil law); the property tax of those two months has been assigned as debt. In this case, the ownership of the interests of the object of sale, which have been established two months ago, in case they actually exist (e.g. fruit), will be transferred today; and if the usurper or tenant have lost it, their alternative has been established in the seller's property and the demand exists at the moment, which the seller will transfer to the purchaser. Moreover, the two parties have right of lien. Any danger can occur to the two parties, and transferring the danger depends on submission (article 387 of civil law). But a delay in paying the purchase price is effective from the day of signing the contract, and the compensation of debt delay will not depend on the past days. In other words, the obligatory effects will be established from the day of signing the contract, but the situational effects will be established from the day that the two parties have assigned.

CONCLUSION

Transfer the ownership is one of the most important issues in the contracts Law, which regarding the peculiar situation of possessory contracts in jurisprudence and therefore Iran's law (which states that the alienation starts from the time of signing the contract and not from the time of submission), has also been the source of other important issues such as exchange guarantee, loss of sales before the purchase etc. Therefore examining the related issues and discussions can be one of the most common and useful discussions in practical and theoretical areas. This paper examined the effect of the two parties' will in advancing the time of alienation in possessory contracts. The studies show that instant alienation in possessory contracts is a requirement of the contract's assignment and not a requirement of its nature. In other words, whenever the contract is signed in this area by itself and without any condition, it is assumed that the parties' implied will is that the created cause (the so-called contract) will have its legal effect instantly and without any delay. Nut if the parties of the contract agree in a different way at the time of signing the contract, there is no prohibition to accepting the agreement and condition while signing the contract. Of course, as it was shown, there is more disagreement on the condition of advancing the alienation, and avoiding the creation of the caused (alienation) before the existence of cause (contract) or opposition of such a condition with the peremptory norms, including article 362 in contract of sales etc. has been said to be likely. But based on what has been said, the preferred view is the one which considers instant alienation to be a requirement of assigning the contract and validates an agreement against this. Accepting this

view, regarding the fact that the rules of transactions are usually among alternative choice and not mandatory ones, and also considering the principle of freewill in contracts in order to supply the social needs in people's relationships, can help reducing the theoretical and practical problems in this subject. However, the silence of Iranian civil law in this regard, which some define as a silence in expression, has resulted in the continuation of disagreements in this area. Therefore, we suggest a modification of rules and admitting to accept the agreement between parties in changing the time of alienation, to remove any doubts in this regard.

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SCIENTIFIC REVIEW

Improving society through the decisions of the human rights committee on the protection of human dignity

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ABSTRACT

The idea of protecting the dignity of human beings as individuals and members of the human species, the recognition of human rights is one of the most important achievements of modern social systems. It is result of deep aspirations of humanization of moral and physical integrity of a person. Inherent dignity rests on the peculiarities of human nature and is its existential value. Legal protection of the dignity is continuously improving its mechanisms and instruments in an international environment, with the aim of respecting the individuality of individuals. The Human Rights Committee (HRC) force the provisions of the International Convent of Civil and Political Rights for the protection of human rights and fundamental freedoms and its decisions form a separate human rights protection system. The research particularly included the researching the HRC recommendations that invoke the protection of human dignity in their statements of reasons when establishing a violation of a certain human right and by analysing their contents I found the areas guaranteed by the ICCPRwhich are most prone to violation of human dignity. Analysing the HRC case law, one becomes aware of the evolving humanisation of access to protection of human dignity. Harmonization of legal systems of the state parties to the Convention, creates strong support of human rights and improving the sociological structure of modern social systems.

KEY WORDS: dignity, human rights, Human Rights Committee

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INTRODUCTION

The Human Rights Committee (HRC) force the provisions of the International Convent of Civil and Political Rights (ICCPR) for the protection of human rights and fundamental freedoms and its decisions form a separate human rights protection system. Under article 28 of the Covenant, Committee members must be "persons of high moral character and recognized competence in the field of human rights"with "consideration given to the usefulness of the participation of some persons having legal experience**"** (hhtps://treaties.un.org/publication /volume999/). Starting from the assumption that the dignity of each individual must be respected in all life circumstances and that the HRC with its objective and just assessment of facts and evidence in interpreting the ICCPR provisions helps change legal systems of state parties, I will endeavour to objectively assess the influence of the HRC recommendations on improving the legal systems of state parties to protect human dignity, as an ethical value and the source of human rights. At the same time, I will endeavour to determine whether the conceptualisation of the term of dignity extends the structure of human rights in legal and sociological elements.

The main goal of the research is to determine the impact of the HRC case law and its recommendations is seen in the individualisation and conceptualisation of the notion of dignity thus creating new levels of protection for human dignity by individualising specific circumstances. In the first part of the paper, the term dignity will be defined through relevant theoretical presentations, and then in the second part will be continue with a look at the evolution of human rights through theoretical considerations that shaped the social awareness of understanding the essence of human rights. The third part section will present the research conducted with its findings and the discussion thereof, and finally end with conclusions.

The protection of human rights was first set globally following World War Two with the establishment of the United Nations. The United Nations Charter was adopted on 26 June 1945 with the aim: "To reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small" (http://www.un.org/en/charter-united-nations/).The Charter is the first treaty in the international law that established the internationalisation of human rights. Further evolution of contemporary international human rights protection was seen through the adoption of the 1948 Universal Declaration of Human Rights, that compiled all human rights provisions available at the time and gave a boost to further development of human rights. Article 1 of the Declaration states that: "All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood"(http:www.un/org/en/universal-declaration-human - rights).Recognition of dignity and its protection in legal regulation of contemporary states is a reflection of the degree of democratisation of each society. The Declaration aim of protecting dignity and human rights is pursued by invoking international instruments ratified by state parties, which implies, first and foremost, substantial changes in their respective legal and judicial frameworks, aspiring to align their legislation and practice with the commitments made by ratifying those international instruments. The HRC is implementing the ICCPR provisions, thus developing its case law in human rights protection.

In the present research, I will use the historical method, the induction and deduction methods, as well as the sociological method.

DIGNITY

Dignity has always been the subject of interest among philosophers, lawyers, sociologists, members of different religious denominations, and the like. Dignity is a term applied to highlight specific features of human beings, noble and elevated values, embraced as such in the system of ethical norms. Through out history, it was interpreted differently by different religions, cultures and civilisations in different parts of the world. In Christina tradition, the oldest grounds for human dignity may be found in the biblical revelation Imago dei**,**or in God's image, and has the power over nature given the existence of human intellect. According to Lutz,this view was reiterated by the French philosopher Jacques Maritain who believed that:"The deepest layer of the human person's dignity consists in its property of resembling God"(Lutz, 1995). In early days of human communities development, dignity was mostly linked with the relation of the state towards specific societal groups, where higher classes were privileged and shown more respect compared to lower classes. The ancient thinkers endeavoured to align the ethical and moral principles of their time with the state and political agendas. For Ancient Greeks, as well as for Romans, the world is hierarchical in its essence, with privileges for men from higher classes deserving dignity due to their noble descent, wealth and social status. The rest were regarded as lower humans – barbarians – who had no value nor deserved any respect for their dignity. In the early views of ancient Greek philosophers, based on laws of nature, we encounter the study of a human being as a spiritual and moral being. For Heraclitus, ethical values of a man are particularly valuable, since "a man's character is his daemon"(Heraklitus, 2006), and the life of a man is moral and happy if subordinated to general law.In Ancient Rome, dignity was not defined as an inherent feature of human beings, rather as a social status that each individual attains within the society. The common feature between the views in the Ancient Rome and Greek, and the contemporary understanding of dignity is in their shared core, i.e. the sense of value requiring respect. Through the dark period of the Middle Ages, Thomas Aquinas considered the nature of human existence and believed that the "the notion of species pertains to human nature according to the existence human nature has in the intellect."(Aquinas, 2003)." He sees reason as the essential and universal feature of all human beings which ensures their uniqueness and peculiarity in nature. After the Middle Ages, the era of Renaissance and Enlightenment brought along the ideas that gave each individual the right to freedom, happiness and progress. Awareness of human rights has been formed on theories of Locke, Rousseau,Kant…

John Locke, developed the idea of natural law implying life, liberty and property. He believed that state should support the pursuit of the natural rights of men. Tom Bingham reminded that "fundamental truth propounded by the great English philosopher John Locke in 1960 that 'Wherever law ends, tyranny begins'(Bingham, 2011). In this period, Jean-Jacque Rousseau promoted the liberal ideas of dignity and equality among individuals and the individual right to liberty. For Kant**,** dignity is above all other values, since individual dignity is priceless, unlike the commodities which may be purchased and which have their market value. Expressing his views on morality and dignity Kant believes that "Now, morality is the condition under which alone an Intelligent can be figured as an end in himself, since by it alone can he become a legislator in the realm of ends. Wherefore morality, and humanity in so far as it is susceptible of that morality, is alone that which has the dignity." (Kant, 1993) According to Kjatran, Kant respect for the personality of each individual. For the mutual respect of the personality, the most important behavior is in accordance with: „…universal laws – that is, rules which, first, restrict every person equally and, second, do not merely represent the choice of one particular person or group"(Kjatran, 2011).

John Stuart Mill advocated individual rights and personal freedoms of human beings and suffrage rights of women. He appreciated the peculiarities of each human being, their

uniquenessand originality: "It is not by wearing down into uniformity all that is individual in themselves, but by cultivating it and calling it forth, within the limits imposed by the rights and interests of others, that human beings become a noble and beautiful object of contemplation"(Mill, 2007).

Mill advocated self-development and defence of individuality and autonomy of individuals and the least possible influence of social structures on the opinions and behaviours of individuals. Today this endeavour to limit the social impact on free development of personality, on pursuing personal happiness and guarantees of individual autonomy is recognised as human rights protection, since the basis of inherent dignity of human beings is freedom, which includes physical and spiritual integrity of a person.

Subliming the above understandings of the term dignity, a single position emerges that dignity is a concept applied for highlighting special features of men as noble, elevated and special values, accepted as such in the social system of ethical and moral norms. " The subject of human dignity is the worth of human beings or their high rank, or even their special place in nature" (Kateb, 2011).

HUMAN RIGHTS

Human rights as a legal instrument are based on international and national treaties and pertinent case law. As a moral category, human rights are demands of individuals to be recognised certain rights by the state for the sake of protection of inherent dignity. The notion of human rights was frequently in history the way of pursuing and ending revolutionary demands for respecting human beings and citizens. The essence of human beings has been the same at all times. What changed was the relation of the authorities to human beings. Human rights, unalienable from the essence of human beings, exist independently from the will of the ruler. These are the rights "which are not owed to the state or its will, but are possessed by human beings by the mere fact of being a human being, hence independently form any state and without the state"(Dimitrijevich, Paunovich, 1997). These are the rights "which belong to each individual simply by being a human being, independently of any legal texts"(Radonjic, 2004). The exercise of human rights in a society, their implementation in a legal order of a state means the protection of the inherent human dignity. Inherent dignity of each human being is the source of human rights, since human rights stem from the need to protect human dignity. **"**

Today, legal regulations in contemporary social systems enable the manifestation of fundamental human values, recognition of human rights as the essence of human beings.

An Brief Overview of the History of Human Rights

Through early history of human society, in the absence of legal regulations, the sense of justice in adjudication is based on moral values and religious commandments . **"**Religious doctrines are an important substantive source of human rights, they offer common elements from different traditions in the form of universally accepted values as important building blocks for constructing a wider intellectual and cultural concept for the protection of human life, freedom and dignity (Vucinic, 2001)." Justness in court decisions is found and in the Bible: "You shall not do unjustly in judgment. Thou shalt not favor the person of the poor, nor honor the person of the mighty, but thou shalt judge thy neighbor justly *(*Bible-Old and New Testament, Leviticus) 1968)."

The first formal recognition of certain rights by the rulers, enshrined in legal regulations, emerged in 13 c. in England, through the act known as Magna Carta Libertatum (1215), proclaiming that: "No free man shall be seized or imprisoned, or stripped of his rights or possessions, or outlawed or exiled, or deprived of his standing in any way, nor will we proceed

with force against him, or send others to do so, except by the lawful judgment of his equals or by the law of the land"(https://www.bl.uk/magna-carta/articles/magna-carta). "

The idea of human rights originated from the revolution in the Great Britain in 17 c., continued with the revolutions in America and France, than the philosophy of Kant and the political philosophy of John Rolls, as well as Ronald Dworkin's theory of justice in 20 c. The French Revolution brought the new political embodiment of the notion of human rights and human dignity in its contemporary meaning. The exercise of rights and freedoms are treated as natural human rights, not as traditional rights. Sovereignty is embedded not in the monarch or the House of Representatives, but in people who are free to change governments and forms of government. In early 18 c, the liberal principles of forms of government and the idea of natural rights were presented in the works of Jean-Jacques Rousseau. He supported the true human nature and the natural resistance to inequality and injustice and stood for creating a civil state that would to the greatest extent possible respect the natural human state, considering that the civic form of government gives moral freedom to human beings since "moral liberty, which alone makes him truly master of himself; for the mere impulse of appetite is slavery, while obedience to a law which we prescribe to ourselves is liberty" (Jrousseau, 1993). Such his theories had a substantial impact on shaping the republic as a form of government after the French Bourgeois Revolution, when it became a symbol for the rule of the majority, denying any form of absolute power of the political elite. The American Declaration of Independence from1776 is not based on traditional rights and privileges, but refers to the rights belonging to all people by nature. According to the Declaration: reads as follows: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness"(http://www.ushistory.org/declaration/document/).This landmark document paved the way for international protection of human rights, which today constitute one of the most important segments of the international legal order.The law is the expression of the general will. All the citizens, being equal in its eyes, are equally admissible to all public dignities, places and employments, according to their capacity and without distinction other than that of their virtues and of their talents.

The theoretical aspects of the development of human rights included several interpretations for the existence of human rights: positivist theories advocated the views of human rights existing based on a high legal act of domestic and international law by which the legislator enables citizens to enjoy human rights. Positivists believe that there is no higher order above or beyond stipulated legal norms created by the authorised legislator**.**Thus the positivist Hans Kelsen developed the notion of "positive" law as opposed to the "natural" law(Kelsen, 2003). John Finnis believes that the issue of morality and human existence does not consist of "making the distinction between the basic aspects of human wellbeing, but in integrating these different aspects in intelligent and reasonable obligations, projects and actions which make one ot the other of many wonderful forms of human life"(Finnis, 2003). According to Dimitrijevich (1997):"This law wich is not positive, is called natural law, and thus, not with standing mutual differences, the theories which believe that in addition to the positive law is some other legal order are called natural law theories - naturalism".

A moderate positivist, Lon L. Fuler, after World War Two, expressed his views of the need to apply the moral dimension in the legal system of states, as well as the need for the legal system to be based on the balance of moral and legal criteria. Discussing legal morality and the notion of positive law and their application in court adjudication, he stated that "law is the enterprise of subjugating human conduct to the reign of rules"(Fuler, 1999), citing Holmes's prediction theory of law: "Prediction what courts will actually do, nothing more pretentious than that, is what I consider law."(Fuler ,1999) According to Fuler, it is obvious that the prediction of court's actions "presume some sort of order"(Fuler,1999), and that it should contain a moral dimension which refers those

who pass judicial decisions, in addition to the law, also to the value judgements of the correctness of the ruling made.The application of legal and moral norms in reaching legal decisions, according to them, is the best administration of justice.

The idea of natural rights which claims that, apart from the legal regulations created and sanctioned by the state, there is the order of natural law which emerged before the written law and continues independently of the will of rulers and men is based on the Ancient Greek philosophical ideas of the division of law into the general and particular. The general law exists independently of any written law and is based on the nature of things, and thus has the character of natural law. The natural law theories linked the existence of human rights with human nature and considered human rights to exist regardless of the legislator's will to formulate them in legal acts. John Rolls talked about the equal nature of all human beings and their equal rights to freedom and justice. The principles of justice refer to equal rights of all to freedom and economic equality. Rolls believed that through social contracts a high degree of individual freedom and their better economic position can be achieved. He believed that: "Quite a complex set of rights and duties characterises any particular fundamental freedom, not only should it be allowed to individuals to do or not do something, but the authorities and other individuals must have the duty not to prevent them from doing so."(Rawls, 1998). The exercise of the right to freedom would depend on conditions and circumstances in which these are exercised, and that care should be taken of the ability to "protect the most fundamental interests"(Rawls, 1998).

Ronald Dworkin introduced the terms moral, ethics, and politics in law. Dworkin advocated the theory of natural law by which law exists independently of any state law and should have supremacy in application over the state law. According to Dworkin, human rights exist per se, they do not exist because of the state or of the law, but both the state and the law exist for the sake of human beings and pursuit of human rights. Dworkin believes that the concept of constitutional protection of individual rights is the best protection against the tyranny of majority. This concept brings together the majority and individual rightsof all citizens and is the ideal environment for the protection of human rights and principles for all citizens. Over this period law became not only a public, but also a private matter, thus leading to the expansion of the field of human rights, and by extension, to the limitation of state powers. According to Dworkin : "By reference to moral principles, which act a s a limitation of law, rather than by citing the conflicting goals of law" (Dworkin, 2001). According to the doctrine of constitutionalism,which advocates respects for human dignity and human rights: "Human rights are a value per se, … if such rights and freedoms are to be regulated at all, it can only be the subject matter of the legal act of the highest order (constitution), not the individual acts of the supreme legislature" (Radonjic, 2004).

The intensive evolution of human rights started after World War Two as a response to all atrocities done by human beings to the detriment of other human beings. Finally, the recognition of respect for human rights was given its rightful place in the social structure of the international community.The United Nations were established giving human rights protection the global character. Thus, human rights ceased to be an internal matter of states. The UN Charter, adopted on 26 June 1945 refers to: "Promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion" (Tomovich, Bogićevich, 2003). The UN Charter was the first contractual regulation in international law which established the internationalisation of human rights. Further evolution in international protection of human rights happened with the adoption of the Universal Declaration of Human Rights in 1948, which compiled all previous human rights provisions and gave an impetus for further development of human rights protection. According to Art.1 of the Declaration: "All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood."

Human rights may be seen as inherent, naturally bestowed and unalienable, but also as rights given by states, as a form of limiting the state powers over individuals and guarantee their natural rights:"Subjective rights rest on the norms of objective law, which give and guarantee those rights. Constitution and laws of a state set forth for a very wide range of people, for all citizens of age, some rights, such as the right to contest in elections" (Dimitrijevich, Paunovich 1997).

International instruments implementing the provisions on human rights protection in the legal systems of state parties are particularly important for the respect for human rights. "Social justice refers to the fairness of all social structures, and human rights are implemented in society and their equal and inalienable achievement contributes to social justice and dignified life of an individual in the community" (Ghai, Cottrel, 2011).

By ratifying international treaties, state parties undertake to implement international human rights law and are obliged to align their legal system with the commitments assumed through international treaties. Thus, a single system of international human rights protection is created giving each individual safety and trust in equality and justice in the world."Justice is essential to our social functioning as is indicated by the fact that the concept of justice (as well as its violation) often dominates our daily experiences and discussions De Cremer, Kees Van den Bos (2007) "Justice and Feelings:Toward a new era in Justice Research", *Social Justice Research,* 20,1).

International agreements in the center of their interests put a man and his need to protect his own personality, as a natural and social being. „In discussing the mobilization of international human rights in a specific social and cultural context, one can draw on an ever-expanding socio-scientific literature on international rights." (Oomen, 2013) "The rights for others: The Contested Homecoming of Human Rights in the Netherlands", *Netherlands Quarterly of Human Rights,*31/1,41-73.)

The recognition of human rights limits the state powers and offers to each individual an equal and just legal protection. Such rights are universal and belong to all people equally, acquired upon birth and exist independently of the will of the state and may not be abolished by the state. Today, human rights are differently recognised and guaranteed to citizens. Developed democracies attach particular attention to human rights protection, unlike the less developed ones, which do not embrace the wide recognition of human rights.

RESEARCH OF THE HUMAN RIGHTS COMMITTEE CASE LAW

State parties to the Optional Protocol to the ICCPR agree that persons under their jurisdiction may address the United Nations Human Rights Committee (HRC) through communications if they believe any of their rights guaranteed by the Covenant has been violated.

An essential issue in all legal structures is to put all the different circumstances and situations that occur in life under the effect of legal norms. Given that life circumstances often go ahead of law, the interpretation of legal provisions is one of the most responsible tasks of those acting upon applications or communications. Researching the given subject in the varied HRC case law I analysed the communications of compatible ratione temporis, ratione materie and ratione personae, in which the HRC established violations of rights guaranteed by the ICCPR invoking the violation of inherent human dignity in their statements of reasons. The HRC is the only: "Universal body dealing with individual issues of human rights violations in facing the situations that no one could have envisaged and which only life can bring about in all its complexity, fullness and uniqueness. The HRC must apply creatively the ICCPR provisions, interpreting it in the global sense, i.e. taking care that the standards it takes into account should not be particular or linked with a specific ideology of understanding life"(Dimitrijevich, 1989)"Komitet za ljudska prava"(The Human Rights Committee).

Once the HRC has established violation of rights guaranteed by the ICCPR, it requires from the state party, concerned to provide adequate remedy to the author of the communication, proper compensation and other necessary measures to prevent further similar violations. When considering the reports by state parties, the HRC adopts general comments noting deficiencies or difficulties in respecting and implementing the ICCPR provisions and issues recommendations in which: "The HRC in a general form indicates the shortcomings and deficiencies in those reports and takes a position on those ICCPR provisions which are differently interpreted in such country reports" (Dimitrijevich (1989) " Delatnosti Komiteta za ljudska prava"(Activities of the Human Rights Committee) which, through their moral authority, affect more consistent implementation of the ICCPR provisions by state parties and ensure enjoyment of human rights thus guaranteed because the HRC, where the representatives of different civilisations, schools of legal thought and ideologies sit, adopts them by consensus.

The aim of adopting general comments of HRC is to make the experiences of treaty bodies available to state parties and to serve as guidance for further improvement of the state of human rights in the country."Committees help state parties to overcome the difficulties occurring in implementing international treaties, in addition to interpreting some specific rights guaranteed by international treaties, by giving guidance in general comments for further enhancement of human rights, proposing measures to be undertaken and improvements to be made (Dimitrijevich at al., 2007).

The HRC establishes whether the state party concerned violated any of the rights guaranteed by the ICCPR against the author of the communication and publishes its decision in its periodic reports (Reports of the Human Rights Committee (http://www.ohchr.org/EN/HRBodies/CCPR/Pages/CCPRIndex.aspx[).

Studying the HRC practice in implementing the provisions of the ICCPR, I singled out those communications where the HRC established that due to the violation of human dignity some of the rights guaranteed by the ICCPR were violated. The applications lodged are stated in the chronological order, together with the relevant Convention articles and HRC reports upon considering the communications:

1. Comm., No. 481/1991, *Jorge Villacanes v. Ecuador*, art.7 i 10 par. 1, 14 par. 3(c), A/52/40
2. Comm.No. 523/1992, *Clyde v. Trinidad and Tobago,* art.9 par. 3 and 14 par. 3(c), A/51/40
3. Comm., No. 512/1992, *Daniel Pinto v. Trinidad and Tobago,*art.7 and 10 par. 1, A/51/40
4. Comm.,No.571/1994, *Eustance Henry and Everald Douglas* v. *Jamaica,*art. 7 and 9 par.3,10 par.1,14par.3(c), A/51/40
5. Comm.,No. 707/1996,*Patrick Taylor v. Jamaica*, art.9 par. 2 i 3,10 par.1, art.14 par.1and14 par.3(c), and 6,A/51/40
6. Comm., No.695/1996, *Simpson v. Jamaica,* art.2, 10 par. 1 and art.14 par. 3 (d),A/57/40
7. Comm., No. 683/1996, *Wanza v. Trinidad and Tobago,* art.10 par. 1, art.14 par. 3(c), A/57/40
8. Comm., No. 721/1997, *Boodo v. Trinidad and Tobago,*art. 7 i 9 par. 3, 10 par. 1, 14 par. 3(c), 17 and 18, A/57/40
9. Comm., No 793/1998, *Pryse v. Jamaica,* art.7 and 10**,**par. 1, A/59/40
10. Comm., No. 798/1998, *Howelly v. Jamaica*, art.7 and 10 par. 1, A/59/40
11. Comm., No. 868/1999, *Wilson v. Jamaica,* art.7,9par,1, 2 i 3, art. 10 par. 1 i 2, A/59/40.
12 Comm., No. 899/1999, *Francis et. al. v. Trinidad and Tobago,* art.9 par. 3, 10 par. 1, 14 par. 3(c), A/57/40
13. Comm., No. 927/2000, *Svetlik v. Belorus,* art.19 par. 2 and 3, A/59/40
14. Comm., No. 931/2000, *Hodoyberganova v. Uzbekistan,* art.14, A/59/40
15. Comm., No.938/2000, *GirjadatSiwpersud et al. v. Trinidad and Tobago,* art.9 par. 3, 10 par. 1 and art.14 par. 5 in 3(c).A/59/40

16. Comm., No.1033/2001, *Nallaratnam v. Sri Lanka*,art. 5 and 14, par .5, A/59/40
17. Comm., No.992/2001, *Bousround v. Algeria*,art.7and art.9 par. 1,3,4 and 10, A/61/40.
18. Comm., No.1050/2002, *D. and E. v. Australia*,art. 9 par. 1 and 2, 19, 12par. 1, A/61/40
19.Comm., No.1069/2002, Bakhtairi v. Australia,art.9 par. 1 and 4 andart. 24 par. 1, A/59/40
20. Comm., No.1167/2003, *RamilRayos v. The Philippines*,art.6, par.1, and art. 14, par.3 (b), A/59/40
21. Comm.,No.1128/2002, *Marques v. Angola*,art. 9 par. 1 and 2, 19, 12 par. 1, A/60/40
22.Comm., No.1126/2002, *Carranza v. Peru*,art. 9, 7,10and 14, A/61/40
23. Comm., No.1196/2003, *Boucherf v. Algeria*, art.2 par. 3,7,8 and 9, 16. A/61/40
24.Comm., No.1232/2003, *Pustovalov v. Russian Federation*,art.7and art. 14 par. 3 (b,d and e), A/65/40
25.Comm., No.1439/2005, *Aber v. Algeria*, art.7 and 9par 3, 10 par. 1, A/62/40
26. Comm., No.1327/2004, *Grioua v. Algeria*, art. 2par. 3,7,8 i 9, 16, A/62/40
27. Comm., No.1328/2004, *Kimouche v. Algeria*, art.2par. 3,7,8i 9, 16, A/62/40
28. Comm., No.1373/2005, *Dissanakye v. Sri Lanka*, art.9 par. 1,19, 25 (b),A/63/40
29. Comm.,No.1422/2005, *El Hassy v. The Libyan Arab Jamahiriya*, art.5,7, 9, i 10, A/63/40
30. Comm., No. 1406/2005, *Weerawansa v. Sri Lanka*,art. 9 par. 1, art. 19, art. 25 (b), A/64/40
31. Comm., No.1369/2005, *Kulov v. Kirgistan*, art.7,9 par.1,3 i 4,art. 14 par. 1,2,3(b), (c),(d) and(e), A/65/40
32. Comm., No.1442/2005, *Kvok v. Australija*, art. 9, A/65/40
33. Comm., No.1402/2005, *Tatiana Krasnova v. Kirgistan*, art.7, 9 par.2 i art. 14 par. 1, 3 (b), and 3(c), A/66/40.
34. Comm., No.1410/2005, *Ievdokimov and Rezanov v. Russian Federation*,art.2, par. 1 and 3, 25,A/66/40
35. Comm., No.1412/2005, *Butovenko v. Ukraine* art. 7,9 par. 1,art. 10 par. 2 i 14 par. 1, 3(b),(d),(e) and(g), A/66/40
36. Comm., No.1449/2006, *Umarov v. Uzbekistan*, art.7,9 par. 1,3,4, 10 par. 1 i 19 par. 2, 26, A/66/40
37. Comm., No.1450/2006, *Komorovski v. Turkmenistan*, art.9 par. 1, 19, 25 (b), A/63/40
38. Comm., No. 1520/2006, *Mvamba v. Zambia*, art.6,7, 10 par.1, 14 par.2 and 3 (c) and 5, A/65/40
39. Comm., No 1588/2007, *Benzaiza v. Algeria*, art.7, 9, 16, 2, 6 par. 1, A/65/40
40. Comm., No 1640/2007, *El Abani v. Libia*, art.2 par.3,6 par. 1,16, A/65/40
41. Comm., No 1870/2009, *Sobhraj v. Nepal*,art. 10par.1,14 par. 1,2,3,5 i 7, A/65/40
42. Comm., No. 1759/2008, *Traore v. Cote d'Ivoire*,art.2 par.3;6,par.1;9;and 10, par.1, A/67/40
43.Comm., No. 1781/2008, *Bergizv.Algeria*, art. 2 par.3;6,par.1; 7,9 (1-4);and 10,par. 1,16, A/67/40
44.Comm., No. 1782/2008, *Aboufaied v.Libya*,art.2 par.3;6,par.1; 7,9 (1-4);and 10,par. 1,12 par.2,14,16,19,21. A/67/40
45. Comm.,No.1811/2008, *Djebar and Chihoub v.Algeria*,art.2,par.3,t.6,par.1,7.9 par.1to4,10 par.1,16,17,23 par.1,24, A/67/40
46.Comm.,No. 1834/2009, *A.P. v. Ukraine*,art.2par.1 and 3(a)and(c),art.4 par.2;7;9; par.1 and3;art.14 par.1,3 (b) (d) and (e) and 7;19.par.2, A/68/40
47.Comm.No. 1858/2009,*Y.M. v. Russian Federation*,art.2,par.3,7,9par.1,3and5,10par.1,14, par.1,16 and 26, A/67/40
48. Comm.No.1962/2010, *S.N.A. v. Cameron*,art.1,7, 9,10,17 and 19, A/68/40

(Reports on Human Rights Committee: http://www.ohchr.org/EN/HRBodies/CCPR/Pages/CCPRIndex.aspx).

The research is completed with the review of the Report on Human Rights Committee: A/71/40 (31st March 2017).

RESULTS AND DISCUSSION

1.By examining and analysing the 48 HRC decisions stated above, where the HRC established the infringement of human rights due to the violation of inherent human dignity, I established that the violation of human dignity in the largest number of cases referred to the following ICCPR provisions: Art. 7 in 25 cases (52.08%); Art. 10 para. 1in 22 cases (45.83%); art. 9 para. 1 in 18 cases (37.5%);Art. 9 para. 3 in 16 cases (33.33%); Art. 14 para. 3(c) in 12 cases (25%); Art. 9 para. 2 in 8cases (16.66%); Art. 14 para. 1 in7cases (14.58%); Art. 19 in.8cases (16.66%); Art. 9 in5cases (10.41%); Art. 16 in7cases (14.58%); Art. 9 para. 4 in 5cases (10.42%); Art. 14 para. 2 in 4 cases (8.33%); Art. 2 para.3 in 9 cases (18.75%); Art. 14 in 6 cases (12.5%); Art. 10 in 4cases (8.33%); Art. 14 para. 5in 3 cases (6.25%); Art. 2 para. 7 in 3 cases (6.25%); Art. 2 para. 8 in 3 cases (6.25%); Art. 2 para. 9 in 3 cases (6.25%); Art. 12 para. 1 in 3 cases (6.25%); Art. 25 para.(b) in 3 cases (6.25%); Art. 19 para. 2 in 2 cases (4.16%); Art. 5 in 2 cases (4.16%); Art .6 in5cases (10.41%); Art. 26 in 2 cases (4.16%); Art 25 para. b in 3 cases (6.25%); Art. 24 in 2 cases (4.16%); Art. 19 para. 3 in 1 case (2.08%); Art. 14 para. 3 (b) in 2 cases, (4.16%); Art. 14(c) in 1 case (2.08%); Art. 25 in 1 case (2.08%); and Art. 14(e) in 2 cases (4.16%).

2. The results of researching shows the largest number of cases establishing violation of human dignity (52.08%) refer to ICCPR, Art. 7 which reads: "No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment. In particular, no one shall be subjected without his free consent to medical or scientific experimentation".

Under item 2 of the General Comment no.20: "The aim of the provisions of article 7 of the International Covenant on Civil and Political Rights is to protect both the dignity and the physical and mental integrity of the individual"(UN Human Rights Committee,*General Comment no. 20: Article 7 (Prohibition of Torture, or Other Cruel, Inhuman or Degrading Treatment or Punishment*; http://www.refworld.org/docid/). General Comment no. 20 further states: "The prohibition in article 7 is complemented by the positive requirements of article 10, paragraph 1, of the Covenant, which stipulates that "All persons deprived of their liberty shall be treated with humanity and with respect for the inherent dignity of the human person(CCPR, *General Comment no. 20:* http://www.refworld.org/docid/).

3. During the analysis, I singled out the reasons which made the HRC invoke the violation of human dignity in reference to the infringements of Art.7 of the ICCPR, and these include: physical assaults, torture, cruel treatment, intimidation, administering unidentified substances, the cases where medical condition exacerbated during incarceration, enforced disappearance, failure to report incarceration or detention, when inflicting pain, stress, suffering, being forced to stay in unlit, small, over-crowded prison cells, prohibition to take medication, maltreatment to coerce to admission of guilt, being detained *incommunicado* (prolonged prohibition of visitations, correspondence).

4. Art. 10 para 1 was violated in 40% the cases where the HRC established infringement on the account of violation of human dignity: horrible prison conditions (small and crowded cells, no light, no beds), physical punishment and torture, failure to provide medical assistance and treatment, enforced disappearance, being shackled while incarcerated with no food and water, etc.)since these actions violate inherent human dignity protected by Art. 10 of the International Covenant on Civil and Political Rights, which reads: "All persons deprived of their liberty shall be treated with humanity and with respect for the inherent dignity of the human person (U.N.T.S.,1976: no.14668,vol.999,p.171)."

In actions taken by states against their own citizens, apart from most common violations of Art. 7 and Art. 10 para. 1, another quite common violation is that of Art. 9 para. 1(11%) and para. 3 (11%), which refers to liberty and security of person and reads as follows:" Everyone

has the right to liberty and security of person. No one shall be subjected to arbitrary arrest or detention. No one shall be deprived of his liberty except on such grounds and in accordance with such procedure as are established by law (U.N.T.S.,1976: no.14668,vol.999, p.171)".

In its General Comments,(UN Human Rights Committee (HRC), *General comment no. 35, Article 9 (Liberty and security of person)*, http://www.refworld.org/docid/) , the HRC considers liberty of person to be the right of profound importance. The ICCPR Art. 9 recognises and protects liberty and security of person. Liberty of person in terms of this provision refers to freedom from physical incarceration, not the general liberty of actions, and security refers to being free form bodily injuries and preservation of physical integrity and the right to personal security, independent of the right to liberty of person. Art. 9 guarantees this right to everyone:"Everyone" includes, among others, girls and boys, soldiers, persons with disabilities, lesbian, gay, bisexual and transgender persons, aliens, refugees and asylum seekers, stateless persons, migrant workers, persons convicted of crime, and persons who have engaged in terrorist activity..

5. Further, by examining the HRC case law, I established that the Committee in its decisions interprets the term dignity in different ways, conceptualising its meaning according to the facts and circumstances of each individual case. As particularly aggravating, the HRC took to be the circumstances involving a person never brought before the court or if that has not been done within the statutory deadlines, then the disappearance of a person in prison, prolonged *incommunicado*, limitation of the rights to habeas corpus, unnecessary delays of trial, the period of three years before pre-trial detention and trial, imposing detention without being heard before competent persons, denying the right to an attorney throughout the proceedings, arbitrary arrest or prolonged solitary confinement (12 years). The HRC individualises the criteria for establishing violations of the rights guaranteed by the ICCPR,particularly taking care of mental, physical and health status of the person, of the applied measures of repression, duress, fear, threat or coercion to specific acts that undermine the dignity of each individual, and how the facts and circumstances that the applicant alleges are reflected on the violation of their inherent dignity.

6.Given the number of applications lodged with the HRC from around the world, by interpreting and conceptualising the notion of dignity and through individualisation of specific circumstances of each individual case, the structure of existing human rights norms is expanding and current national and international legal system further developed. Thus, the protection of dignity as an inherent human value, and the source of human rights, is becoming a common standard and the basis for further development of national and international legal regulation.

A particular challenge for all interpreters of legal norms is how to put new and different circumstances and situations under the impact of legal regulation. Therefore, holders of social authorities that interpret legal regulations and apply them to specific situations,have the very important task to extend the effect of the legal norm through their interpretation, thus creating new aspects and levels of human rights protection which protect human dignityin the best way possible, building specific systems of values for respecting human beings in all life circumstances. Thus, through its case law, the HRC helps the alignment of state parties'legal regulations with the international one and creates a common basis for ever more effective human rights protection. Under Art. 4 para. 2 state parties are obliged to:"Within six months, the receiving State shall submit to the Committee written explanations or statements clarifying the matter and the remedy, if any, that may have been taken by that State (*Optional Protocol to the International Covenant on Civil and Political Rights* http://www.ohchr.org/EN/ProfessionalInterest//OPCCPR1).

When to confirm once the violation of any of the rights guaranteed by the ICCPR is established, State party is given recommendations which, in addition to the compensation for

the author of the communication, also impose obligations for the State party to have legislative changes, which may refer to laws and other legislation, and to align them with international regulations. The HRC with its recommendations, for instance in reference to Art 7 and 9 of the ICCPR, instructs the state concerned, that violated any of the rights guaranteed by the ICCPR, to ensure in its legislation, instead of detention and incarceration, other measures of enforcement (bail, mandatory reporting to relevant institutions and electronic bracelets).In reference to Art. 9, the HRC constantly demands relevant states to respect the right to fair trial (inform the persons of the reasons of arrest, mandatory interrogation, presence of an attorney throughout the proceedings, reasonable times for pre-trial detention and other measures in reference to specific cases).

7. The HRC recommendations have particular significance for the population of underdeveloped democracies, since the improvement of the respect for each individual by implementing the new legal instruments develops the rule of law domestically.

As final considerations, in addition to the above, I would like to point to the sociological importance of General Recommendations and HRC recommendations which assist state parties to establish the practice of reaching decisions in specific cases by indicating the elements of legal and social culture in need of improvement, thus complementing the protection of human rights of persons under their jurisdiction. The sociological aspect of human rights protection is seen primarily in the respect for human beings in all life circumstances and in all societal structures and encouraging state parties with relevant legal instruments to improve the legislation and social status of their populations.

The specific significance of the HRC case law and its recommendations is seen in the individualisation and conceptualisation of the notion of dignity thus extending the effect of the legal norm and creating new levels of protection for human dignity by individualising specific circumstances.

CONCLUSION

In the introduction I cited the examination of the influence of the HCR recommendations in the implementation of the ICCPR as one of the motifs for the paper. The paper links the historic development of human rights and the contemporary human rights protection through the HRC decision, particularly focusing on the protection of dignityas the ethical value and the source of human rights. Natural features of an individual are the same in all times, but their manifestation and recognition has come a long waythrough social evolution positioning human dignity as an aim aspired to in the functioning of the global human rights protection system. I particularly highlighted the HRC recommendations that invoke the protection of human dignity in their statements of reasons when establishing a violation of a certain human right and by analysing their contents I found the areas guaranteed by the ICCPRwhich are most prone to violation of human dignity. Analysing the HRC case law, one becomes aware of the evolving humanisation of access to protection of human dignity. Assessing individual facts and circumstances of each case, and by conceptualising dignity, the HRC creates new aspects and levels of human rights protection and protects human dignity in the most objective way. Ratifying human rights treaties, modern states express their readiness to guarantee to the citizens under their jurisdiction the recognition of rights guaranteed by international instruments. By cherishing the value of respect for human beings in all living circumstances, the HRC effectuates the humanisation of legal orders of state parties in the sense of having just evaluation of protection for human dignity and just balance between applying the legal regulation and moral values.

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ORIGINAL SCIENTIFIC PAPER

Investigate the most important causes of job burnout of employees (Case Study: Youth and Sports General Directorate of Qom)

Raheleh Tayyebi Rad[37], Mina Jamshidi[38]

ABSTRACT

Human resources of any organization is precious resource of that organization that can assist it in achieving its goals. Specialist staff, loyal, consistent with the values and organizational objectives have strong motivation and willing and committed to maintain and continue organizational membership are basic and essential needs of any organization. Hence, we decided to take a step in in this important by providing this work; This study have been developed in descriptive analytical method with aim of fulfilling to create communication between the components and characteristics of job burnout of some of department of sport and youth personnel of Qom, using a standardized questionnaire SPSS software. The population of this study consisted of 230 personnel of the General Directorate of Youth and Sports of Qom on two levels of employees and the President and the results indicate that existence of job features including variety of tasks, conscientiousness, the nature of the task, independence and feedback on job have significant impact on reducing burnout syndrome of employees.

KEY WORDS: *human resources, organizational goals, job burnout, Qom*

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INTRODUCTION

In today's competitive world, organizations are constantly seeking new ways to maximize employee performance and efforts. Changing and dominant conditions on organizations, increasing competition and the need for effectiveness in such circumstances, reveal their need for the valuable generation of staff, generation that are called as (organizational veterans). One of the factors affecting decrease in performance and effectiveness of human resources in organizations, is the phenomenon of job burnout. It seems that job burnout be associated with psychological pressures. psychological pressures occur when there is an imbalance between environmental demands and individual's ability to respond them. Whatever the environmental demands increase and individual's ability to respond them decrease the psychological pressures is created which causes negative experience in individual and job burnout. In fact, job burnout occurs as a result of constant psychological pressure (Farber 1983). Job burnout is also caused a deterioration in the quality of service provided by the staff (Saatchi, 1382).

PROBLEM STATEMENT

Job burnout is a professional risk that is associated with reduction in employees' physical and mental energy. Nowadays job burnout has attracted much attention by researchers and corporate leaders that mainly is associated with important individual and organizational outcomes such as job performance, organizational behavior, job attitudes and negative psychological consequences (Martinkou, 2004). Job burnout has negative impact on employees, family, friends and those around them and in general has a negative impact on society, and can reduce quality of life for employees both at work and in their home. Over time, job burnout can lead to increased problems at home and also the withdrawal from family and friends. Job burnout is a painful experience for individuals and a costly phenomenon for organizations. Costs of job burnout for employees and their families is also very heavy which includes direct costs such as lack of membership and participation of employees, absenteeism, turnover, strikes, reduced job performance, reducing the quality and quantity of output and job accident and indirect costs such as loss of vitality, job dissatisfaction, low commitment, reducing the quality of relationships, distrust, hostility and aggression. Hence biggest concern of researchers is to investigate the causes and control of this important which will be discussed in the following.

JOB CHARACTERISTICS

The prelude to job characteristics attitude was Turner and Lawrence studies. They put a major project into action to assess the staff react to different jobs. They believed that employees prefer complex and working jobs to monotonous and uninteresting jobs and believe that will be followed by complexity of the job, satisfaction and the presence of employees (Moorhead, Griffin, 1382). Job characteristics refers to activities, tasks, assignments and various aspects of a job. Some of the jobs, are conventional and ongoing because their activities are homogeneous and repeated and some other are unusual; Some require different skills and some other limited practical field; Some tires employees by making theme to strict compliance of trends and some other gives employees the freedom to do their work willingly. Some jobs are most successful when are done collectively by a group of employees and some other are done by people who are essentially independent and work (Keshtidar, 2002).

JOB CHARACTERISTICS THEORY

There are at least seven theories on the characteristics of job. Fortunately, they have a lot in common. For example, hygiene motivation theory of Herzberg's and research was conducted on the need for achievement by McClelland are both among the job characteristics theories. Herzberg suggests that if the job can lead to success, reputation, responsibility and such things, will cause an increase in job satisfaction of workers or employees. McClelland proved that those who achieved more opportunities will have great performance and will accept great responsibility (Parsaeian, Arabi, 1386).

Here we will point three job characteristics theories:

1. Attribution theory of job
2. Social information processing model
3. Job Characteristics Model

JOB BURNOUT AND ITS CREATION

To address the issue of job burnout and express opinions on the issue should first define two terms of "job strain and psychological stress".

Job strain and psychological stress are two words often used interchangeably, but do not have the same meaning. Job strain is necessary for advancement in life. But if go beyond the necessary limit leads the psychological stress. Psychological stress does not lead to advancement. Neumann and Pierre defined job strain as: a condition that arises in the effect of employment situation and distract individual from the usual action. Inavcevich and Matteson believe that job strain is an adaptive response that is realized by personal characteristics or psychological processes. So can be said that Psychological stress, is his reaction against the wrong amount of pressure (Moshabbaki, 1376).

Job Burnout

What is Job Burnout?

The term burnout been applied by Herbert J. Freudenberger for the first time in the year 1974 AD to describe a particular kind of job burnout. He used this term to explain the progressive states of emotional discharge, loss of motivation and decreased commitment among young volunteer employees who worked with commitment in a medical clinic. In 1976, Maslach after a long time listening to issues of social service employees mentioned the phenomenon of indifference and neglect feel about the client's (Zarei Matin, Anvari, 1391). But in the years 80's and 90's this disorder was recognized as a distinct disorder and also separate strategies must be recommended to fix it. Job burnout is used to describe a syndrome that mainly affects people working in social sanitary centers. Such as lawyers, managers, doctors, counselors, teachers and people who are active in law enforcement, considered jobs have particular respect in the society and are dealing with patients that have important needs and are suffering difficult conditions. In these jobs, change and interaction is high and there is a direct and continuous and repetitive relationship with clients. So considered syndrome in professions that provide help, appears more in profession helping, however, burnout is not specific to these professions and also is seen in other professions. The term burnout is used among several Persian equivalents that are proposed for Burnout. Among other proposed equivalents can be mentioned exhausted, power failure, stroke work, burnout, job fall, detachment, job exhaustion and mental erosion (Asgari, 1383). Nowadays job burnout has attracted great attention by researchers and corporate leaders that mainly is associated with important individual and organizational outcomes such as job performance, organizational behavior, job attitudes and negative psychological consequences.

STAGES OF JOB BURNOUT

Four stages of job burnout include:
Honeymoon State
Fuel Shortage State
Chronic Symptom State
Crisis state
Hit the wall state

THE CAUSES OF JOB BURNOUT

Individual factors
Organizational Factors
Environmental factors
Social factors
Job factors

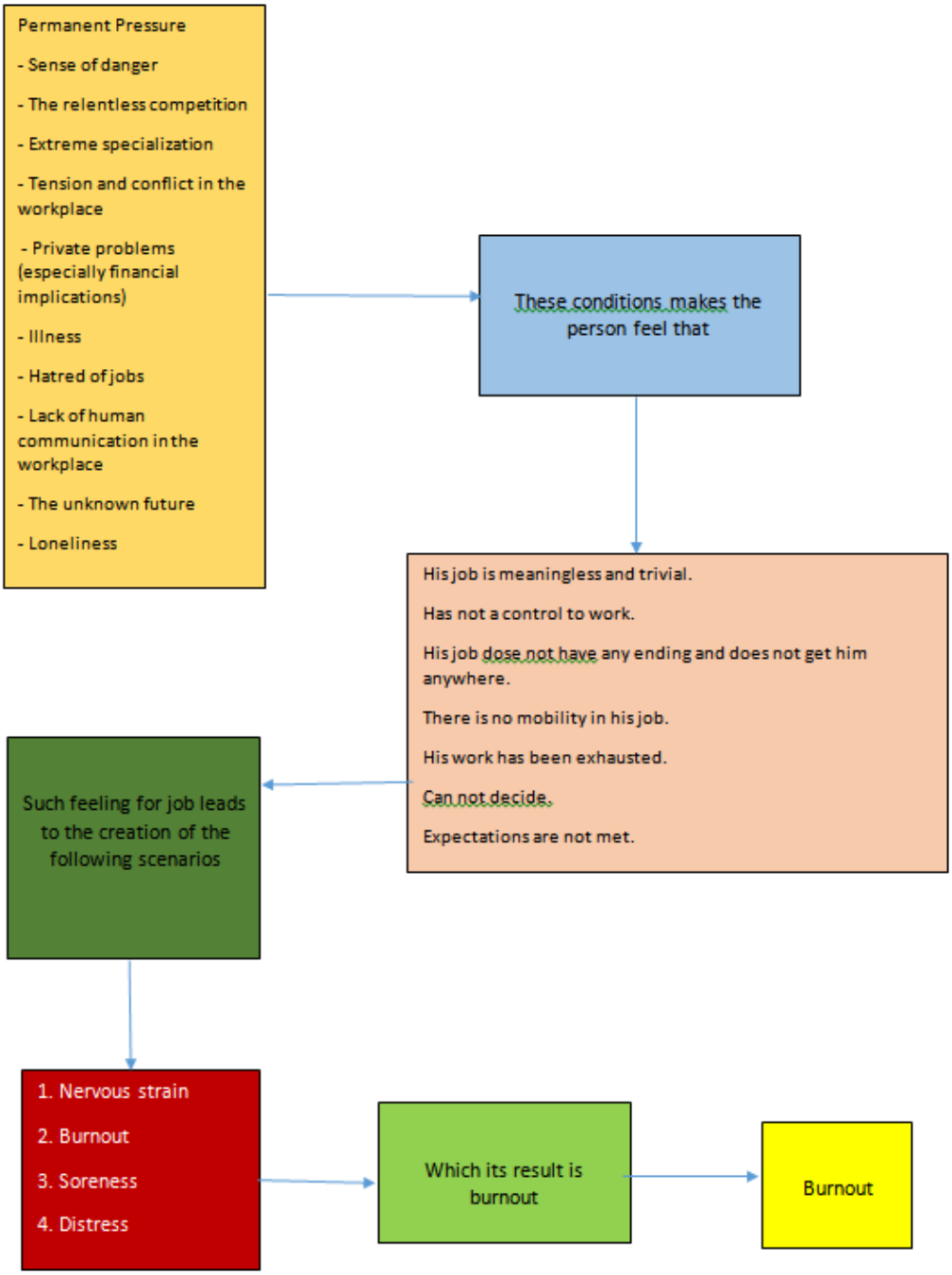

Figure 1: Circumstances establishing job burnout in staff

THE SIGNS OF JOB BURNOUT

Person who has job burnout his self-respect descends, his personal relationships disappears, he may feel that too much works and is not able to control his much work. He knows himself as a swimmer against the water moves and is unable to keep his head above water. This condition causes a person's sense of hopelessness and helplessness. Job burnout happens periodically and it is essential that we come to accept such a period and is easily treatable if recognized at an early stage. But the first step in dealing with this case is being aware of its symptoms (Geldard, 1374).

The first stage of Job burnout, is physical burnout. This type of burnout, is one of the constituents of the disability. A person who is exhausted, complains about extreme boredom (often associated with insomnia). In addition, the person usually experiences signs indicating lack of energy, chronic fatigue and also weakness.

The second aspect of job burnout, is emotional burnout. When person's physical reserves is finished due to continued stressful job conditions, it may be parallel to that person's emotional force, ends. Worker or employee who has lost his power and is exhausted, expresses feelings such as depression, helplessness and frustration by itself. In these conditions, satisfaction that acquired before and at the time of leisure or beside family and friends' decreases and as a result, the overall satisfaction with life decreases.

The third aspect of job burnout, is mental burnout. In this case, the worker deal with the negative view towards work, customers or client of the organization and colleagues. The fact that such a person is exhausted and is not able to observe the feelings and needs of others, in fact, indicate that his dealing is free of humanitarian aspects. These negative attitudes and inhuman attitude may extend to family environment and friendly circles of the person with job burnout (Saatchi, 1387). L-Moss (1981) in his efforts to classify effects and results of job burnout, has classified these effects into three categories of physical indicators, behavioral changes and job performance.

WARNING SIGNS OF JOB BURNOUT

Feeling of emptiness
Negative feelings and emotions
Loss of motivation
Depression
Drug abuse
Vicious cycle
Emotional withdrawal
Decreased performance
Reduced levels of physical health
Interpersonal problems
Despair and frustration

CONFRONTING STRATEGIES WITH JOB BURNOUT

Coping strategies with job burnout can generally be classified in two categories, namely, individual strategies and organizational strategies.

Organizational strategies to cope with job burnout

Employ people who in addition to being interested to a particular job, also have necessary personality traits to fulfill the duties of the job.

Holding training courses appropriate to operators of various occupations.

Reduce using either methods reprimand and punishment.

Reduce dangerous conditions in the organization.

Improving communication networks and interaction in the organization.

Identify stressors in the organization and try to eliminate those factors.

Provide the most suitable conditions for the growth of the abilities and talents of employees.

Identify workers, employees, professionals and especially managers who have a moderate or severe behavioral disorders or psychological distress, and the help of Psychiatry and Clinical Psychology to treat them.

Providing health care services to help regain mental health of employees and restoring their psychological competence.

Design and implementation of effective education programs in the field of mental health in the work environment (Saatchi, 1390).

MATERIALS AND METHODS

At the stage data analysis, the researchers is forced to use statistical methods to identify the characteristics of the studied phenomenon or relationships of phenomena and variables and calculate and estimate required indicators to for a researcher to identify the status of variables in the sample and to find the necessary knowledge. Also to study the relationship between variables, the researcher has to use inferential statistical methods.

For this reason, demographic variables were studied at first. To test the normality of the population we used K-S test and then addition to multivariate test (t-test) then investigated the status of research variables and using confirmatory factor analysis research variables construct validity was confirmed over two times. Finally, using structural equation modeling investigated research hypotheses. According to the results of the structural equation, a significant positive impact on job characteristics and its components on the lack of job burnout and all research hypotheses were confirmed. Also should be noted that no significant difference was observed between these two components.

CONCLUSION

Our world is organizations world and the main driver of this wheel is humans. The ones who give life to the organization will permit the realization of goals. Without human the organization is meaningless and management is an imaginary (Griffin, 1382). Human resources is as the main and the largest and most valuable asset of an organization, community and country, so because of that countries and organizations has long invested on this valuable force and try to fertilize it and societies reach progress, prosperity and excellence which can thrive these forces and talents behind them (Nasrollahpour, 1385). Humans by undertaking the organizational tasks are reviving the organization, of course, each of the tasks and jobs in the the organization has its own specific characteristics. Attitude of job characteristics in job design was superior attitude in the 1970s and early 1980s. This attitude that was concluded from studies on job motivation characteristics (such as autonomy and feedback) have an evolved

form that explicitly considered status of individual differences in response of employees to a job and finally become as job characteristics theories (Griffin, 1382).

However, nowadays, the emergence of threatening areas of human resources in different organizations are known as one of inevitable defects in organizational efficiency. One factor that reduces the efficiency of precious human capital, is the phenomenon of job burnout. Destructive effects of this phenomenon on individual and social life is evident and educational organizations staff are considered as one of the most vulnerable segments of society against job burnout. Psychological, occupational stress and its consequences are one of the most critical issues of work life in today's industrial complex world. Job pressures on organizational forces have large costs for the organization and may be harmful and malignant and have serious effects sought and undermine the mobility and attempts of human and cause lack of efficiencies and productivity and efficient use of resources and finally effectiveness of the organizations. Nowadays because of the dramatic changes that job burnout can leave on the quality of personal, family and professional life of a person is considered as a serious problem.

SUGGESTIONS

1- Job Characteristics model of Oldham and Hackman focuses on jobs and does not pay attention employment and since in this study considered job characteristics model is Oldham and Hackman's model, thus employee's personality and his personal characteristics is not considered, however in the real world there is no job without employee and in addition to job characteristics employee's characteristics and personality should be considered. So we hope that these factors be seen in further research and employee's features be added to job characteristics, and these two factors be considered together.

2- Researchers can implement the same issue in other organizations or other production and service centers and comparatively compare the results.

3- Other researchers can simultaneously implement this issue in the public and private sectors and compare obtained results with each other.

4- Researchers can examine relationship between work factors (based on job characteristics) with productivity, efficiency, quality of performance, effectiveness, motivation, absenteeism and staff turnover.

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Editorial Paper Retraction

We have to inform our respected reading public that, to our deep regret, a case of scientific plagiarism has appeared for the first time in our Journal. This is to notify you that the Editorial Board of the Journal International Review has retracted from publication the following article: **„The Impact of Organizational Culture on Knowledge Sharing„ by** *Sahar Khazaei Poul, Foad Khanlarzadeh, Vida Samiei,*. International Review (2016 No.3-4),pp.9-24.

The Publisher would like to reveal that this paper has been few times rewritten, but still contains several sentences and paragraphs directly or almost directly and even verbatim copied from an original paper written by Raid Moh'd Al-adaileh ,,The Impact of Organozational Culture on Knowledge Sharing:The Context of Jordan's Phosphate Mines Company,, International Research Journal of Finance and Economics ISSN 1450-2887 Issue 63 (2011), pp.216-228.

Moreover, no acknowledgements of reference have been made.

The Editorial Board asks, therefore, all the respective readers to accept their apology for not having found out this very unfortunate case during the review procedure.

Editorial Board
International Review