Journal writing is a voyage to the interior
Christina Baldwin

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How Green Attitude and Overall Image Affect Customers' Intention to Visit Green Shopping Center

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Abstract
The deteriorations in natural environment and resources trigger environmental awareness of enterprise and consumer levels. This study analyzes how green attitude and overall image directly and indirectly affect customers' intention to visit the green shopping center. Data, based on 325 responses from Bangkok and suburb shoppers are collected with online questionnaires. The results show that green attitude both directly and indirectly influences the intention to visit green shopping center. The overall image completely mediates the effect of green attitude on customers' intention. Management of shopping centers, thus, should pay attention to enhance green image of their centers to maximize the effects of green attitude on intention to visit.

Keywords: Attitude toward green behavior, Consumer behavior, Intention to visit, Green shopping center, Overall image

I.   Introduction

Nowadays, people realize and are alert to the environment pollutions and the natural disaster causing natural resources deterioration. People are energetic in addressing these issues and mitigate or inhibit the negative effects on environment, which are due to human beings actions. Customers in some countries are formed together to counteract products, which are not environmental-friendly, or to be against entities, which do not implement environment protection policies. Government in many countries also enacts regulations and laws to enforce business corporations to adjust their internal operations in order to conform to environmental friendly practices. Management of shopping centers is thinking of implementing environmental friendly policies and responding to the changing awareness of consumers in order to gain sustainability in the long run. Each shopping center implements different green practices in order to improve its green image. For example, several shopping centers currently sell more products germinated from natural rather than chemical elements, which finally will harm environment. They also encourage customers to reduce plastic bag consumption by giving more reward points to customers. They promote all their tenants to use energy saving appliances. Previous research studies pertaining to customers' behaviors at the shopping center have not shown the relation between three main constructs, namely, green attitude, overall image and intention to visit green shopping center. This study focuses on analyzing how green or environmental-friendly attitudes of customers and overall image of shopping centers affect customers' intention to visit green shopping centers.

II.   Literature Review
1. Green Shopping Center

With the increased awareness of green practices among customers, many shopping centers pay more attention to their green images. By investing their money in environmental concerns, business corporations might improve their images and increase their competitive

advantages (Chen, 2007). Some other corporations adjusted their environmental-friendly strategies and responded to going green trends germinating among some customer groups. They also are looking for innovations to attract these customers groups (Lee, 2011).In this study, thus, green shopping center is a shopping center with good practices pertaining to environmental responsibilities including avoidance negative impacts on environments, such as waste management, recycle bag usage, and energy saving practice (Han, 2010; Lee, 2011).

2. Green Attitude and Intention to Visit

Based on Theory Planned Behavior (TPB) and Theory Reasoned Action (TRA), attitude toward behavior influences actions or behaviors.Attitude is opinion, believe, feeling and knowledge people have. In general, attitude will influence people behavior, thus, green attitude or attitude toward green will indicate the environment-related behavior of people (Singh, 2011). Attitude toward green behavior isformed when people realize that the importance of environment, the awareness of environment, the seriousness of environmental problems, and the environmental responsibility have impacts on an individual person and collective society (Chen, 2013; Han, 2009; Han, 2010; Han, 2015; Lee, 2011; Singh, 2011). When customers are interested in environment and environmental-friendly images of corporations, their realization will positively influence their behaviors toward environmental-friendly and finally influence purchasing decision pertinent to green hotels (Han, 2015; Chen, 2013). In this study, green attitude is positive opinions toward individual actions trying to reserve natural resources for next generations, such as veto products, which harm or degrade environment (Han, 2010; Laroche, 2001).Intention to visit green shopping center, thus, is propensity of customers to spend time and/or money at green shopping center.

3. Overall Image and Intention to Visit

Previous study (Hunter, 2006) showed that the image of shopping center had a direct impact on the needs to visit shopping center and an indirect impact on customers' expectations. The needs to visit shopping center also mediate the relation of shopping centers' images and intention to visit. This study, therefore, analyzes the direct and indirect impact of overall image of shopping center on customers' visit intention. In this study, overall image toward green shopping center is total perceptions toward visiting shopping centers with good internal operations pertaining to natural resources. These total perceptions derive from the attributes of shopping center and the process of deliver information and knowledge of green shopping center (Han, 2009). Nowadays, many corporates implement the "corporate image" strategy to create their differentiated services and products. Good corporate images create benefits to corporations and influence customers' positive perceptions. Images of shopping centers, therefore, help shopping centers development (Charles, 2009).

4. Green Attitude, Overall Image and Intention to Visit

During the past few years, customers rapidly recognized the importance of environment and wanted to consume environmental-friendly products and services from corporations, which followed good environmental-friendly practices. This changing awareness of customers stimulates many corporations to adjust their procedures and practices pertinent to environment and focus on creating good corporation image in customers'

perspectives (Han, 2010). In 2009, Han also indicated that customers, who had high level of positive attitudes toward environmental-friendly behaviors in their daily lives, would have positive overall images and influence customers' behaviors or visit intention. In sum, green attitude have direct relationship with overall images and in turn affect visit intention.

In sum, this present study propose an integrated framework (Figure 1) to gain the insight pertaining to the roles of "green attitude" and "green image" on "intention to visit".

III. Conceptual Framework Development & Hypotheses Tests

Based on reviewing prior research studies, the authors develop a conceptual framework as shown in Figure 1.In 2014, Lita stated that39 percent of environmental-friendly behaviors derived from attitude. Our study, thus, concentrates on the positive relation of the attitude on overall image and intention to visit (Han, 2009, 2010) and proposed conceptual framework for this study (Figure 1) with the first hypothesis as follows.

Hypothesis 1: Green attitudes of customers have direct relationship with intention to visit green shopping center.
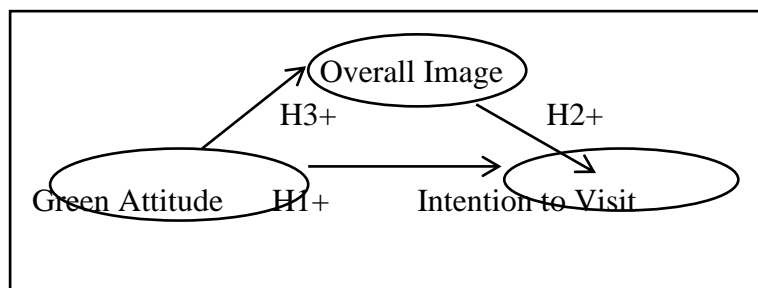
Figure 1: Conceptual Framework of This Study

Overall image of shopping center leads to customer behaviors toward shopping centers. Good image creates added values to corporations and affects customer perceptions. Shopping center with good image will have positive affect on visit intention (Charles, 2009). Thus, hypothesis 2 is as the following.

Hypothesis 2: Overall image of green shopping center has direct relationship with intention of customers to visit green shopping center.

Prior study (Jeonga, 2014) showed that positive attitude toward green behavior had positive influence on image and brand of shopping center. Most percentage of customers (92.8 %), who had positive attitude toward corporation implementing good environment practices, would influence good image of corporations(Papadopoulos, 2010). Furthermore, the mediator role of overall image was satisfied (Han, 2010; Lita, 2014). When customers perceived good image toward corporations, they would intend to visit shopping center. Therefore, hypothesis 3 is as follows.

**Hypothesis 3**: Green attitude of customers has indirect effect on intention to visit green shopping center and has overall image as a mediator.

IV. Research Methodology

1. Sampling & Data Collection

This study gathered data by employing structured questionnaires and distributed via Google Doc during late of the year 2014. The valid questionnaire was 325 derived from convenience sampling out of 380 respondents.

2. Measurement Instruments

From reviewing previous studies, the authors use 15 measurement items for all three constructs, namely attitude toward green behavior, overall image of green shopping center, and intention to visit green shopping center, as shown in Table 1.

Table 1: Measurement Items

Construct	Variable	Items	References
Attitude toward Green Behavior	AGB 1	Thai people must worry about natural conservation since Thailand has sufficient resources.	Han, 2011
	AGB 2	It is not difficult to do recycling.	Han, 2011
	AGB 3	Recycling is important in reducing the consumption of natural resources.	Han, 2011&Ramayah, 2012
	AGB 4	Shopping center should concern about the impacts on the environment.	Han, 2011
	AGB 5	I feel good when I am part of energy saving.	Ramayah, 2012
	AGB 6	I believe that recycling helps conserve natural resources.	Ramayah, 2012
Overall Image of Green Shopping Center	OI 1	Overall, visiting a green shopping center is good thing to do.	Han, 2009
	OI 2	Overall, I consider green shopping centers have good images.	Han, 2009
	OI 3	Overall, I have good attitudes toward visiting green shopping centers.	Han, 2009
	OI 4	In general, shopping centers, which responsible well to society, such as reducing plastic bag consumption, have good images.	Han, 2015
	OI 5	Customers appreciate the shopping centers, which have good practices pertaining environmental impacts.	Han, 2015
Intention to Visit Green Shopping Center	IV 1	I am willing to visit green shopping centers whenever possible.	Han, 2009
	IV 2	I have a tendency to visit green shopping centers.	Han, 2009 & Hunter, 2006
	IV 3	I absolutely plan to visit green shopping centers.	Han, 2009 & Hunter, 2006
	IV 4	I will visit and do shopping at shops in green shopping centers.	Hunter, 2006

The questionnaire consisted of two sections. The first section has the instruction to ask subjects to rate the opinion toward all 15 measurement items. The scale for rating all items are five-point Likert scale ranging from 1 (strongly disagreement) to 5 (strongly agreement). The last section is demographic data including gender, age, marital status, highest level of education, occupation, and individual income per month. The questionnaire is pre-test with 30 samples and was modified for clarity. To test the suitability of data for factor analysis, this study performs the Kaiser-Meyer-Olkin (KMO) for sampling adequacy and Bartlett's test for sphericity.

The reliability tests with coefficient alpha or Cronbach's alpha values are computed for all 15 items. The item reduction and scale purification were investigated with criteria of items with low factor loadings (<.5), communalities and low-item-to-total correlations. This process was rerun many times until no more improvement to the Cronbach's alpha values and had clear factor dimensions.

After conducting reliability test with Cronbach's alpha, we performed an exploratory factor analysis (EFA) with principal components analysis and varimax rotation extraction in order to minimize number of variables used to measure three constructs, i.e., attitude toward green behavior, overall image of shopping center and intention to visit shopping center. The criteria in determining number of factors were an eigen value greater than 1 and cumulative percentage of variance explained greater than 50 percent. The descriptive statistics and inferential statistics used to test hypotheses are conducted by SPSS software version18. Hypotheses 1 to hypotheses 3 are tested with regression analysis and Sobel test, which is a method of testing the significant of mediation effect.

1. Descriptive Statistics & Reliability Test

Using data from section 2 of questionnaire, the profile of respondents is shown in Table 2. Most of them are male with age ranging from 21 to 49, complete at least bachelor's degree, work as private officers and earn about Baht 50,000 to 70,000 per month.

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Table 3 demonstrates Cronbach alpha values for three constructs, whose values are above 0.90 and indicating high reliability (Nunnally, 1978). The Cronbach's alpha of all constructs is greater than 0.9 indicating high reliability.

Table 2: Profile of 325 Respondents

					Total = 325 sample
Characteristic	Description	Value (%)	Characteristic	Description	Value (%)
Gender	Male	53%	Occupation	Government official	49%
	Female	47%		Entrepreneur	17%
				Private enterprise employee	26%
Age	15-20	1%		Student	7%
	21-34	36%			
	35-49	37%	Income (Baht)	< 30,000	29%
	50-68	26%		30,001 - 50,000	35%
				50,001 - 70,000	13%
Education	Less than college	14%		70,001 - 90,000	10%
	College graduate	53%		90,001 - 100,000	4%
	Postgraduate	33%		>100,000	10%

1. Exploratory Factor Analysis

Before performing the exploratory factor analysis, the authors use KMO, Bartlett's tests and correlation matrix to test the suitability of all measurement items for factor analysis. KMO measures for all three constructs are in the range of 0.830 to 0.864 and all Barteltt's tests are all significant (p<0.000) (Table 3) reflecting correlation matrix is not identity matrix and data is suitable for performing a factor analysis. The results from performing the exploratory factor analysis with principal components analysis and varimax rotation extraction show that two measurement items for "Attitude toward Green Behavior" are deleted.

Table3: Factor Loading, KMO, % Total Variance Explained and Cronbach's Alpha of Three Constructs

Constructs and Measurement Items	Factor Loading	KMO	% of Variance	Cronbach's Alpha
Attitude toward Green Behavior		0.830	80.15%	0.917
~~Thai people must worry about natural conservation since Thailand has sufficient resources.~~				
~~It is not difficult to do recycling.~~				
I believe that recycling helps conserve natural resources.	0.904			
I feel good when I am part of energy saving.	0.902			
Recycling is important in reducing the consumption of natural resources.	0.891			
Shopping center should concern about the impacts on the environment.	0.883			
Overall Image of Green Shopping Center		0.864	78.10%	0.929
Overall, I consider green shopping centers have good images.	0.920			
Overall, I have good attitudes toward visiting				

	0.907			
Overall, visiting a green shopping center is good thing to do.	0.895			
In general, shopping centers, which responsible well to society, such as reducing plastic bag consumption, have good images.	0.857			
Customers appreciate the shopping centers, which have good practices pertaining to environmental impacts.	0.838			
Intention to Visit Green Shopping Center		0.835	85.57%	0.944
I have a tendency to visit green shopping centers.	0.944			
I absolutely plan to visit green shopping centers.	0.938			
I am willing to visit green shopping centers whenever possible.	0.927			
I will visit and do shopping at shops in green shopping centers.	0.891			

Source :Primary Data

2. Regression Analysis and Sobel Test

Three hypotheses were tested with the regression analysis and Sobel test. The results show that all three hypotheses are accepted. To test direct effects as stated in hypothesis 1 and 2, we use factor scores and perform simple regression analysis (Table4 and Table 5). To test the mediation effect as stated in hypotheses 3, we first control overall image of shopping center and test a direct effect on intention to visit (Table 6 and Table 7). Then, we perform the Bootstrap test to test an indirect effect of attitude toward green behavior on intention to visit green shopping center (Table 8).

3.1   The total effect of attitude toward green behavior on overall image of green shopping center. The computation of total effect of attitude toward green behavior on intention to visit green shopping center demonstrates at a confident level of 95%, there is a significant effect with coefficient at 0.611 (p-value<0.5) as shown in Table 4. Thus, hypothesis 1 is confirmed.

3.2   The direct effect of overall image of green shopping center on intention to visit green shopping center. The computation of direct effect of overall image of green shopping center on intention to visit green shopping center demonstrates that, at a confident level of 95%, there is a significant effect with coefficient at 0.818 (p-value<0.5) as shown in Table 5. Thus, hypothesis 2 is confirmed.

3.3   The indirect effect of attitude toward green behavior on intention to visit green shopping center through overall image of green shopping center

Table 4: Total Effect of Attitude toward Green Behavior on Intention to Visit Green Shopping Center

Coefficients[a,b]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Green attitude	.611	.044	.611	13.881	.000

a. Dependent Variable: Intention to visit

b. Linear Regression through the Origin

Table 5: Direct Effect of Green Shopping Center on Intention to Visit Green Shopping Center

Coefficients[a,b]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Overall image	.818	.032	.818	25.450	.000

a. Dependent Variable: Intention to visit

b. Linear Regression through the Origin

After using macro a script of Preacher & Hayes (2004), the result shows that by controlling overall image of shopping center and at a confident level of 95%, there is no significant direct effect with coefficient at -0.0584 (p-value>.05) as shown in Table 6.

Therefore, the data confirmed that the overall image of green shopping center is a fully mediator between attitude toward green behavior and intention to visit green shopping center with the indirect effect coefficient at 0.6692and zvalue derived from Sobel test is 13.4233 (p-value<0.01) as shown in Table 7. The result from performing Bootstrap test shows the effect between 0.5436 and 0.7927 (Table 8). There is a significant indirect effect of attitude toward green behavior on intention to visit green shopping center through overall image of green shopping center since the range value derived from Bootstrap test does not cover zero value.Thus, hypothesis 3 is confirmed.

Table 6 Regression Coefficient and t- Value Used to Test Mediation Effect

DIRECT AND TOTAL EFFECTS				
	Coeff	s.e.	t	sig(two)
b (YX)	.6108	.0441	13.8462	.0000
b (MX)	.7751	.0351	22.0967	.0000
b (YM.X)	.8633	.0510	16.9162	.0000
b (YX.M)	-.0584	.0510	-1.1457	.2528

Table 7 Indirect Effect of Attitude toward Green Behavior on Intention to Visit Green Shopping Center

INDIRECT EFFECT AND SIGNIFICANCE USING NORMAL DISTRIBUTION					
	Value	s.e.	LL95CI	UL95CI	z	sig(two)
Effect	.6692	.0498	.5714	.7669	13.4233	.0000

Table 8 Confidential Level of Indirect Effect by Using Bootstrap

BOOTSTRAP RESULTS FOR INDIRECT EFFECT						
	Data	Mean	s.e.	LL99CI	LL95CI	UL95CI	UL99CI
Effect	.6692	.6669	.0647	.5062	.5436	.7927	.8436

V.   Conclusions & Implications

This study analyzes the effect of attitude toward green behavior on intention to visit green shopping center by testing both the direct effect of attitude toward green behavior on intention to visit green shopping center and the indirect effect of attitude toward green behavior on intention to visit green shopping center mediated by overall image of green shopping center. The results also demonstrate the role of overall image as a full, not partial, mediator between green attitude and intention to visit. Many previous studies (Chen, 2013; Han, 2010; Zhao, 2013) showed direct effect of attitude on intention of consumers to behave something; however, our study shows that the indirect effect of attitude toward green behavior (through overall image) on intention to visit green shopping center is higher than its direct effect does. Moreover, the direct effect of attitude toward green behavior on intention to visit green shopping center is less than the direct effect of overall image of green shopping center on intention to visit green shopping center.

The shopping center developers, therefore, should invest in building overall green image of their centers. After performing further investigation, we find out that female respondents have green attitude significantly higher than male respondents do. The developer or management of shopping centers might also have green marketing campaigns to make their target customers to recognize and recall their overall green image of centers. Management should promote the green practices such as using reuse glasses within food court area or propagate the water saving campaign. Han (2009) study confirmed that practices engaging the recycle campaigns have the most positive impact on instilling green attitude to customers.

1. Global Application of the Present Study

The results of this study reflect the importance of overall green image of shopping centers in Thailand. Since our respondents are from both international and local shopping centers, the insights from this study contribute to management of global shopping centers in Thailand. In other words, doing shopping center business in Thailand need to emphasize the overall green image of shopping centers because Thai customers are more serious about green practices.

2. Limitations

This study analyzes the shopping center regardless of the type of shopping center, such as community mall or regional shopping center. Target customers from different type of shopping center might have different green attitude or intention to visit green shopping center.

3. Further Research

From our further investigation, we found the significant difference of green attitude based on gender. In the future, we might do in-depth study about this difference based on motivation to do shopping, i.e., hedonic and utilitarian groups. The result from this study shows that respondents with the age between 34-49 or generation X has the highest green attitude, therefore, we might further analyze how to motivate customers of generation X to generate green attitude and green behavior.

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Influence of content marketing elements for search advertisement effectiveness in a leisure services sector

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Abstract

The main mechanism of market economy – competition – has forced organizations to search for a content influencing advertising effectiveness. The use of content marketing, a new marketing approach, and its application can help to get an advantage and successfully compete with other members of the leisure services market. Moreover, it can help to improve the effect of different digital channels upon a customer. Due to recency of content marketing, there is lack of widely analyzed the influence of content marketing for different marketing channels. The objective of this study is to find out the influence of content marketing elements for search advertisement effectiveness in a leisure services sector.

Keywords: content marketing, virtual content, search advertisement, advertisement effectiveness, leisure services.

I.   Introduction

The inventions of new technology hence marked the start of the digital revolution, which then brought the onset of the information age (Lin &Yazdanifard, 2014).Over the last decade, virtual space has become a popular channel through which to strengthen customers' relationships with services, brands, and enterprises. Furthermore, the dramatic changing virtual environment has formed a competitive business setting, which provides opportunities for conducting businesses online (Kidane & Sharma, 2016).In the developed and changing environment, organizations have understood the importance of digital marketing (Khan & Siddiqui, 2013; Järvinen & Karjaluoto, 2015).However, as the number of end users and marketers who are active on digital media increases, it becomes increasingly difficult for companies to stand out from the crowd enough to engage their target audiences and increase traffic for their products and services (Szabo &Huberman, 2010; Haan & Moraga-Gonzalez, 2011; Khan & Siddiqui, 2013;Jaakonmäki, Müller, & Brocke, 2017).Leisure services sectore face with the new challenges in customer attraction and multiple competition as well. This prompted the researchers and marketing professionals (Gagnon, 2014; Hanafizadeh & Yarmohammadi, 2015) to recognize the importance of virtual content. Due to huge competition the role of quality content in leisure services sector is of growing importance too.

The increasing importance of content quality created preconditions for content marketing to become a separate marketing paradigm. A more thorough understanding of online consumers is a prerequisite for digital content that meet consumer expectations, and at the same time, forms a basis for competitive and sustainable business (Halttunen, Makkonen, Frank, & Tyrväinen, 2010).

Discussions about the content marketing benefits and application to different kind of business shows the importance of knowing how content quality affects consumers in different marketing channels and how it can be used for leisure services sector. From a managerial perspective, understanding the effect from all marketing tools is necessary for developing an efficient marketing plan. Therefore, the **scientific problem** solved in the paper

is presented as follows: does the use of content marketing elements influence the effectiveness of search advertisement? Accordingly, this paper **aims** to find out the influence of content marketing elements for search advertisement effectiveness in a leisure services sector.

Research methods: Achieving the aim of the article, the comprehensive analysis and synthesis of scientific literature was provided. In order to get better understandings about the influence of content marketing elements for search advertisement effectiveness in a leisure services sector, one-shot experiment was accomplished and quantitative analysis is given as well.

II. Theoretical Framework

The change of internet use for information is drastic and this had a deep impact on digital marketing too. With more and more media platforms available to them, consumers have developed an insatiable demand for content (Thakur, 2017).People are much more marketing-smart now and are more skeptical towards the information they receive. They know what sources of information are accountable for and are not blinded by the advertisements. Rather than the brands or packaging of what businesses and companies have to offer, the consumers are more concerned and interested with the insights or content (Lin &Yazdanifard, 2014).Furthermore, as researchers (Kucuk, 2012; Singh, 2016) underlined, such digitally empowered consumers can now easily generate and organize anti-consumption movements and change the dynamics of the consumption markets. The revolution in information and communication technology has given people enormous capabilities to seek, gather, publish and distribute content and experiences in unprecedented ways (Singh, 2016). According to the DeMers (2014), one of the main ways that companies are establishing authority and gaining trust with consumers is consistently creating valuable content through a variety of channels. This typically involves relevant industry information that provides insight or entertainment to an audience. Moreover, doing so allows a company to steadily build rapport with its demographic and develop a loyal following. Due to the increasing importance of content, new marketing trends appear. One of the most significant among them is content marketing.

The digital content market has become an evolution in networking technologies, providing diverse insight about market. Despite this, content based marketing is one of the latest concept and it is actually as old as any other marketing paradigm, but content marketing, as separate type of marketing, is still in the beginning phase (Pulizzi, 2012; Azad, AliAkbar and Zomorodian, 2016).There are various definitions of content marketing. Blank (2014) stated that content marketing is engaging with the community around by sharing information, ideas and experiences that benefit others without asking anything in returns. Holliman &Rowley (2014) marked that content marketing involves creating, distributing and sharing relevant, compelling and timely content to engage customers at the appropriate point in their buying consideration processes, such that it encourages them to convert to a business building outcom. Meanwhile, Kilgour, Sasser &Larke (2015) believes that content marketing is the active role of consumer participation for sharing and participate in media space that becomes their interest. Ahmad, Musa & Harun (2016) complements this approach by saying that content marketing is sharing the information regarding the products and brands to attract others to participate in purchasing activities that create the engagement relationship between consumers and the companies. Thus it is clear that the main goal of creating the content marketing is to distribute valuable and the consistency of the content itself to the target audience to drive the profitable consumer action.

By no means, the content marketing development is a complex and dynamic process. Several authors (Chasser & Wolfe, 2010; Gagnon, 2014; Hanafizadeh & Yarmohammadi, 2015) highlighted, that the creation of content-based marketing program is more than the creation of virtual promotional advertisement. Therefore, organizations need to find and create content that effectively adds to the selling of products.Firm-generated content is essentially a multifaceted construct, and its effect depends on the message sentiment, customers' response to the message, and customers' innate disposition toward digital media (Kumar, Bezawada, Rishika, Janakiraman & Kannan, 2016).Therefore, it is vital to identify the content features that affect consumers actions through virtual space. Detailed analysis of scientific literature (Chasser & Wolfe, 2010; Gagnon, 2014; Abel, 2014; Schuinanii, 2014) let us to distinguish seven features of quality content, which can be perceived as separate content marketing elements:

- Relevance
- In formativeness
- Reliability
- Value
- Uniqueness
- Emotions
- Intelligence.

Features above have the capacity to resonate more powerfully with internet users because it is carefully tailored to their needs and interests. According Thakur (2017) it is a way of conveying brand's personality and offering without being overtly promotional, which can go a long way toward building brand trust amongst enterprise audience.

Content marketing continues to be a important component of digital marketing and a lot of enterprises can implement it as a part of their digital marketing strategy. Every marketer would want his promotions to provide relevant information to the consumers since information play a vital role in choice of services. The information can either trigger the internal motives or lure the consumers to experience the promises of the service provider (Pawaskar & Goel, 2016).Experience represent the consumer participating process, due to some excitement and stimulus, would change the perceptions of consumers, and as well as replace the activity itself. So the more accumulated experiences will become the basis of evaluation for consumer intentions to purchase tangible or intangible products (Chung, Lee, & Lin, 2016). Therefore it is worth to keep in mind that customers and potential clients own a leading role in customer-oriented marketing strategy, and the internet can fulfill this desire with the aid of the technology it uses.

Because of the fact that growth of the leisure and tourism industry has been extreme, making it one of the most competitive sectors and this competition is continually growing as more and more enterprises seek to attract consumers (Pawaskar & Goel, 2016; Chung et al., 2016).It seems that from a marketing viewpoint the challenges for information provision in leisure in large part arise from the role the Internet and related technological applications play in mediating the communication between the customer and the industry (Xiang, Fesenmaier, Hyun, & Wober, 2016).Leisure services sector can be characterized by the inherent characteristics as whole services. Thus virtual content development is an important stage in the process of consumer attraction. Researchers (Tsekouropoulos et al.2012; Pena, Jamilena, Molina & Pino, 2014; Pawaskar & Goel, 2016) admitted that the Internet has much to offer for leisure services companies in terms of promoting their

respective service offers, yet although the online medium enables firms to convey large volumes of information, the user's ability to process that information is limited. Moreover, The IAB report of the internet advertising revenue (2016) revealed that leisure services sector is one of those, who are increasingly investing in online and search advertisement.

As Halevi & O'Hanlon (2016) stressed, regardless of the content type, content should be interchangeable and communicated across different platforms and channel websites. Authors of this paper believe that content marketing can improve effectiveness of various online advertising channels and contribute to the leisure services sector success. Applications of content marketing are one of the most popular digital channel − search systems− content marketing or its separate elements may be used as well. Therefore, the next part of this paper, deals with the experiment in order to explore the influence of content marketing elements for search advertisement effectiveness in a leisure services sector.

III. Research methodology

For the deeper understanding was chosen to conduct an experiment. Experiment was chosen because it allows checking the causality between the separate content marketing elements and search advertisement effectiveness. Experimental designs are the quantitative research designs most closely associated with an action or applied research. An experiment involves the creation of a contrived situation in order to get information about effect of an independent variable (X) on a dependent variable (Q1). The research will be carried out on the pre-experimental research bases. With this type of experimental project, we aim to check the impact of the independent variable on dependent variable, but not seeking to find out whether there are other secondary factors influencing the outcome.

Three companies which providing the leisure services were chosen to perform the pre-experimental research. These companies providing different services: "Pirtis centre" offers a sauna, "Įlankos sodyba" proposes rural tourism and the third one, "Nuotykių akademija", founding a theme park. Up till now, about 80-90 % of companies advertising budget is allocated for the online marketing. Selected business use communication in social networks, publications in various directories, but search advertisement is considered as the most important marketing tool. Companies use Google AdWords advertising constantly several years. However, this type of advertising is very popular in leisure services sector, and the competition for user clicks is huge. Therefore, owners of the companies are still looking for new ways to improve the advertisement effect upon the customers.

Based on the theoretical analysis and the previous qualitative studies (Repovienė, 2015) were specified research hypothesis that were tested during the experiment:
- (H0) Use of reliability has no impact on search advertisement effectiveness;
- (H1) Use of relevance has positive impact on search advertisement effectiveness;
- (H2) Use of uniqueness has positive impact on search advertisement effectiveness;
- (H3) Use of intelligence has positive impact on search advertisement effectiveness;
- (H4) Use of emotions has negative impact on search advertisement effectiveness;

Hypotheses were tested by adapting content marketing elements in Google AdWords advertisement. From the account of each company was selected one ad group, which has been running an experiment.During the research Click-through rate (CTR) was measured by using different content marketing elements (X) in a text Ad. CTR is an indicator of Internet user interest on a particular Google AdWords text Ad. Change of CTR (Q1) was measured

by comparing previous CTR statistic with the data obtained during the investigation. We aimed to find out the impact of separate content marketing elements on advertisement. When analyzing the statistics of the past, it was noticed that Google AdWords natural click-through rate (CTR) changes by 10 %, so during the experiment CTR change is considered statistically significant only in the case if a change is greater than 10 %. In order to check the validity of the results obtained, the experiment was repeated twice in the same order. Between the first and the second test was a week-long break. For application of content marketing decision, it was selected ad groups which include only exact match keywords: 1."Sauna for rent" (from "Pirtis centre" account) 2. "Holiday in the countryside" (from "Įlankos sodyba" account) 3. "Active entertainment" (from "Nuotykių akademija" account).In order to get more objective results, any other changes were not made during the experiment in selected Ad groups.

IV.   Research and Discussion

First of all, we provide Ad group statistic in both trials (Table 1; Table 2;Table 3). With regard to content marketing elements effect, we can see that not all items had a positive impact on CTR. Although the main focus was on the X (element) impact on the Q1 (click-through rate), but other extraneous factors such as cost-per-click (CPC) and the average Ad position (Av. Pos.) was taken into account too. Following indicators may also be affected by X. This analysis leads to the practical insights and opens new opportunities for research in the future, because both of these indicators show the quality of Google AdWords advertisement.

The first Ad group, which was held in a experiment was the "Active entertainment" from "Nuotykių akademija" account. The table below (Table 1) summarizes the main Ad group statistics obtained during the experiment. Before the experiment, analyzed Ad group CTR reached 7.66 % CTR, one click cost about 0.19 € and Ad was shown on average 4.0 position.

In this ad group, we can see that all content marketing elements had a positive impact on Google AdWords effectiveness and the overall CTR grew in both trials, but the average CTR change between tests was 10.72 %. Although it trend remained the same.

Table 1. Results of experiment. Ad group "Active entertainment"

Test 1						
Element (X)	Clicks	Impressions	CTR (Q1)	Change (%)	CPC (€)	Av. Pos.
Relevance	13	122	10,66	+ 39,16	0,21	3
Uniqueness	13	135	9,63	+ 25,72	0,3	3,1
Reliability	9	59	15,25	+ 99,1	0,23	4,8
Intelligence	13	98	13,27	+ 73,24	0,19	1,6
Emotions	7	53	13,21	+ 72,45	0,24	4,5
Test 2						
Element (X)	Clicks	Impressions	CTR (Q1)	Change (%)	CPC(€)	Av. Pos.
Relevance	15	129	11,62	+ 51,7	0,22	3
Uniqueness	12	121	9,92	+ 29,5	0,29	3,3
Reliability	12	79	15,19	+ 98,30	0,23	4,1
Intelligence	17	132	12,88	+ 68,15	0,19	1,7
Emotions	8	62	12,9	+ 68,41	0,25	4,6

In this ad group, we can see that all content marketing elements had a positive impact on Google AdWords effectiveness and the overall CTR grew in both trials, but the average CTR cange between tests was 10.72 %. Although it trend remained the same.

Although reliability has negative impact on other Google AdWords indicators it can be distinguished as the most effective content marketing element in particular case (CTR change reached 98.7 %).The smallest change of CTR was determined by the uniqueness of the Ad, which is highlighted as one of the most suggestive elements in scientific literature. This element also led to the highest cost-per-click. Event that use of intelligence did not achieve the highest CTR, it is worth to use in order to get better Ad position and lower cost.

Second Ad group which was tested is "Sauna for rent" from "Pirtis centre" account (Table 2). Before the experiment, Ad group "Sauna for rent" has 10.32 % CTR, one click cost about 0.2 € and Ad was shown on average 2.6 position.

Table 2. Results of experiment. Ad group "Sauna for rent"

Test 1						
Element (X)	**Clicks**	**Impressions**	**CTR (Q1)**	**Change (%)**	**CPC (€)**	**Av. Pos.**
Relevance	7	49	14,29	+ 38,47	0,2	1,3
Uniqueness	3	49	6,12	- 40,69	0,27	1,8
Reliability	16	55	29,09	+ 181,88	0,2	1,7
Intelligence	21	95	22,11	+ 114,24	0,15	1,4
Emotions	4	33	12,12	+ 17,44	0,19	2,1
Test 2						
Element (X)	**Clicks**	**Impressions**	**CTR (Q1)**	**Change (%)**	**CPC(€)**	**Av. Pos.**
Relevance	10	69	14,49	+ 40,41	0,2	1,4
Uniqueness	7	91	7,69	-25,48	0,26	1,9
Reliability	18	76	23,68	+ 129,46	0,21	1,7
Intelligence	17	86	19,77	+ 91,57	0,16	1,5
Emotions	5	37	11,9	+ 15,31	0,2	2

The data obtained from research reveals that not all elements have positive impact on "Pirtis centre" advertisement. However, the overall effect of the elements was the most significant. Unique Ad text did not receive success and CTR decreased by 31.1 %.In this ad group, in both trials, the most notable positive impact on advertisement effectiveness did reliability (average CTR reached 26.39 %) and intelligence (average CTR reached 20.94 %). Usage of emotion appeal in text Ad was the least exposure and had the lowet impact on Q1 change. Looking at changes of the other Google Adwords indicators is visible that best results gave usage of relevance and intelligence. Like in the first Ad group, influence of content marketing elements varied during the tests and has been the highest (12.01 %). Neverless significance of separate elements has remained the same.

The third Ad group, which statistic was analyzed is the "Holiday in countryside" from "Įlankos sodyba" account (Table 3). Before the experiment, Ad group "Holiday in the countryside" has 10.88 % CTR, one click cost about 0.22 € and Ad was shown on average 1.9 position. In this Ad group three elements have positive, one negligible and one have negative effect for CTR.

**Table 3. Results of experiment. Ad group "Holidays in countryside"**

Test 1						
Element (X)	**Clicks**	**Impressions**	**CTR (Q1)**	**Change (%)**	**CPC (€)**	**Av. Pos.**
Relevance	9	42	21.43	+ 96.96	0.3	1.4
Uniqueness	8	37	21.62	+ 98.71	0.26	1.4
Reliability	4	27	14.81	+ 36.12	0.21	2.4
Intelligence	4	38	10.53	- 3.22	0.2	1.3
Emotions	2	49	4.08	- 62.5	0.5	2.0
Test 2						
Element (X)	**Clicks**	**Impressions**	**CTR (Q1)**	**Change (%)**	**CPC(€)**	**Av. Pos.**
Relevance	10	48	20.83	+ 91.45	0.29	1.4
Uniqueness	8	41	19.51	+ 79.32	0.28	1.5
Reliability	5	31	16.13	+ 48.25	0.21	2.3
Intelligence	5	42	11.9	+ 9.38	0.2	1.3
Emotions	3	53	5.66	- 47.98	0.42	1.9

This group statistic is considerably different from statistics of Ad groups above. As the most significant elements we can distinguish the relevance and uniqueness. Both of them increased CTR almost twice. Influence of uniqueness is quite interesting. Differently than the other two Ad groups results, in group "Holiday in the countryside" uniqueness impact is significant. As was mentioned earlier, online communication and advertisement is common in leisure enterprises and use of it grows. During the experiment, all advertising positions in rural tourism sector (total 7) were occupied. This means that competition for consumer attention is a huge between farmsteads. So the use of uniqueness and exceptional features of farmstead gave positive results. Use of intelligence in the first attempt had a negative impact, in a second positive, but the overall change has not exceeded 10 %. Negligible of impact could be explained by the popularity of intelligence usage. As a result, advertisement is not stand out from competitors' ads. However, this element has the most positive effect on Ad position and CPC. As we see, emotions has negative impact on all three indicators of Google AdWords quality.

By looking deeper it could be noticed that in this particular case influence of content marketing elements is the lowest. Despite this fact, difference between the first and second test results was the lowest too (2.87 %). Therefore it reveals a more general trend in the impact on particular advertisement effectiveness.

In summary, the results of overall experiment (Fig. 1.)reveal that content marketing elements has impact on search advertisement effect.Based on a conditions of significant change (change > 10 %), visible, that 4 of 5 content marketing elements positively affects Google AdWords CTR.Were are some differences between both tests results. However it did not affect the orderof elements according to effectiveness.

Fig. 1. CTR change during the experiment
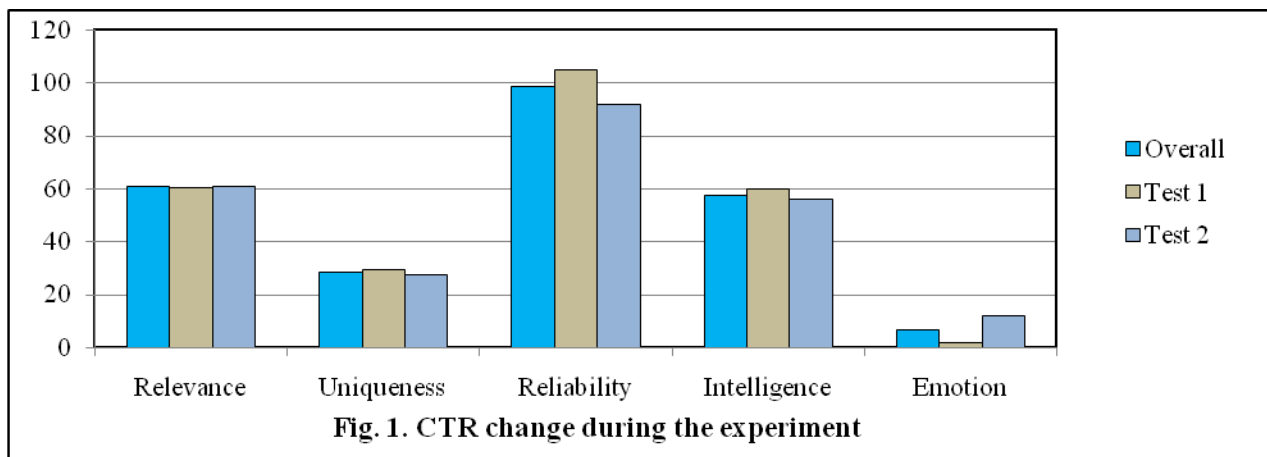
Obtained results confirm 3 out of 5 research hypothesis. Relevance, uniqueness and intelligence positevely improved clickthrough rate statistic.Relevance of ad and matching of the user's search query is inseparably from Google AdWords policy. Therefore, improving the Ad text and relate it with keywords and website content has significant impact on advertisement effect too.H4 considered as not confirmed. Use of emotions in search advertisement gave positive results as well, but CTR change was not significant enought (+ 6,9 %). During experiment use of reliability gave the best results. Therefore H0 considered as not confirmed as well.

Click-through rate is understood as the most important indicator of the Google Adwords effectiveness, but results of research showed that content marketing elements are able to make influence for other important Google AdWords indicators too.

The chart (Fig. 2) shows how average Ad position was influenced by separate elements.3 out of 5 content marketing elements increase Ad position. The biggest change was due to the use of intelligence which improved average Adposition over the 1.5 positions. There was no Ad position changes while emotions were used. Althoug results showed that the use of content marketing elements have similarinfluence on Ad position and CTR, but while was used reliability Ad position was the lowest throughout the experiment.

Fig 2. Ad position during the experiment
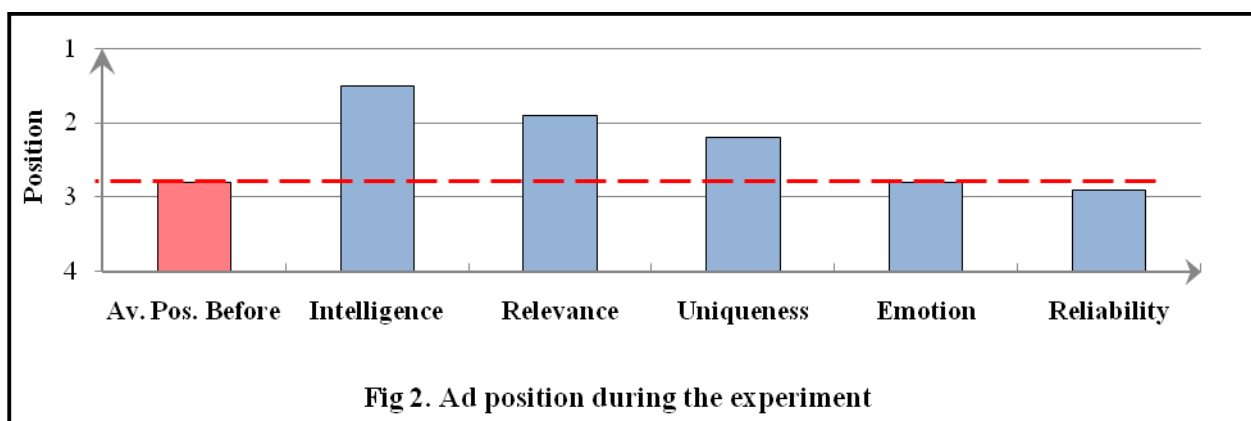
The nextchart (Fig. 3) shows how CPC was influenced by separate elements. It may be noted that 4 out of 5 content marketing elements increased the price of advertisement. Use of emotions in Google AdWords is the most expensive. It could be explainde by the fact that

Google appreciate content which is related with search query but emotional Ad text is not so closely associated with the user's search. Positive CPC changes show intelligence suitability forthe overall search advertisement results.

Fig 3. CPC during the experiment
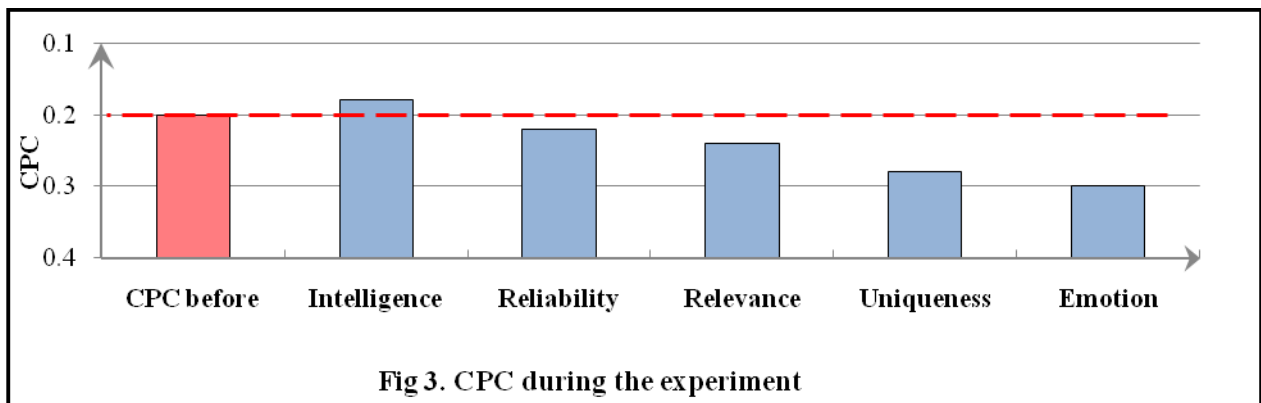
Full research results and discussion, revealed that the application of content marketing decision has impact on Google AdWords effect upon the customer and can be a great tool for the future campaign or even content of website, improvements

V.   Conclusion and recommendations

Literature review revealed that internet plays a huge role in communication between organization and consumers. A lot of leisure companies make use of digital marketing worldwide, since this type of marketing has been recognized as the most powerful marketing tool. Digital marketing is one of the most popular ways to spread the message about organization to consumers. However, enterprices are also facing with huge competition in virtual space.Through the past decade, the virtual marketing transforms and evolves in a various forms. One of the newest marketing paradigm is a content marketing. Content marketing involves the creation of valuable content in order to get customerprofitable response. Theoretical background also allows distinguishing seven elements of the content quality which can be used in various forms. One of the possible content distribution channels is search advertisement, one of the most popular advertisement form.

The results of the experiment showed that content marketing elements can improve the efficiency of specific marketing tool. In order to increase Google AdWords effect upon the customer, enterprises which providing leisure services should use content which is reliable and relevant. The biggest impact on search advertisement effectiveness has the use of reliability. This highlights how much customers appreciate the truth, especially in the case of search systems.

Type of search advertisement and limitations determines some specific rules upon which application of particular content marketing decisions doesn't give desired effect. Experimental data revealed that Ad's with most emotional and promotional information has the lowest CTR. This can be explained by the fact that consumers, which are using search engines expect high-quality, relevant and reliable information. Therefore, advertisement shouldn't distract them.It is worth to note, that separate content marketing elements have impact not only on search advertisement effect expressed by CTR, but on other quality indicators as well.

Limitations of this study offer opportunities for further research. Concidering that this research has focused on content marketing elements influence on the effect of search advertisement in 3 different enerprises case, for wider practical development it is necessary to expand the field of research. It would be worth carried out an experiment in the future by testing different combinations of elements influence in order to verify the reliability of the pre-experimental project results. Furthermore, application of content marketing decision on particular enterprises case, encourage go deeper into more extensive application of content marketing in the area of leisure services. In order to reaach this it's recommendet to use different type of research methods and fifferent content distribution channels.

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The Effect of Affective Commitment, Continuance Commitment, and Normative Commitment on Turnover Intention among Bank Employees

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Abstract

The study aims to assess the effect of the three faces of organizational commitment on turnover intention among bank employees at Madurai. A survey has been steered among bank employees of public and private sector banks. 85 banks are randomly selected and a well-structured questionnaire has been distributed to 350 bank employees. The process resulted in the collection of 313 responses complete on all parameters for data analysis and interpretation. Cronbach's alpha score is calculated to test the reliability of the scale. The alpha value shows higher internal consistency among the items listed in the measures. Several statistical techniques such as t-test, ANOVA and correlation were performed. The study found significant effect of job demographics such as age, education, salary, type of bank, and experience on the turnover intention of bank employees. All the three facets of commitment such as affective commitment, continuance commitment and normative commitment are have a significant negative correlation with the turnover intention.

Key words: Turnover intention, Affective commitment, Continuance commitment, Normative commitment.

I.   Introduction

All the organizations are aimed to get committed employees because committed workers are the reason for the success of any organization. Employees should be prolific, competent, and proficient; more important, they should stay in the organization. The switch off of workforce from one organization to another is a serious one that will clue to a volume of cost involved in the recruitment and training of employees. All the organizations always have the worry about their personnel and their plans to quit from that organization. It is a serious issue to all the organizations because the cost of experienced employee will ask big deal to any organization.

Banking is one of the key service sector which have a principal role in a country's economy development. Like all other industries, banking is also very much influenced by the prodigious problem of employee turnover. The strength of any banking system depends on its employees; thus, employee turnover is a specific problem currently tackled by the banks in India, which hints more cost as a whole. This study targets the point to understand the issue turnover intention and investigate the connection between the three sides of organizational commitment and turnover intention of bank employees.

II.   Review of literature

There are a number of studies carried out to study about the phenomenon like employee turnover in human resource management literature. Each study has its own views and findings. Price (1977) described employee turnover as the ratio of the number of organizational members who left during the period being considered divided by the average number of people in that organization. Mobley (1982) mentioned employee turnover as a discontinuance of membership in an organization by the person who received monetary

compensation from the organization. Carley (1992 quoted in Shukla & Sinha, 2013) states that employee turnover means the rotation of workers around the labor market, between organizations, jobs and careers. Employee turnover is defined as a ratio between employees left out in a company and appointed of that company in a particular period of time.

Mobley (1977) defined turnover intention as the cognitive process of thinking, planning and desiring to leave a job. The intention of quitting the job of an employee is the last step of him/her before leaving his/her company (Porter and Steer, 1973). Employee's intent to leave is his inclination to call off his job (Martin, 1979). Carmeli and Weisberg (2006) was followed Mobley's statement but little elaborated that the term turnover intentions refer to three particular elements in the withdrawal cognition process (i.e. thoughts of quitting the job, the intention to search for a different job, and then intention to quit). According to Bashir et al., (2012) turnover intention can be defined as how long an employee is willing to stay in an organization.

Organizational commitment refers to an individual's attachment to his organization (Mathieu and Zajac, 1990). It rightly reflects the employee's loyalty and his identification with the organization. When the employees are committed, they are ready to accept organizational goals and values, and they strived to achieve those goals (Mowday et al., 1982).

The most popular model of organizational commitment which is developed by Allen and Meyer (1990) has consisted three components such as affective commitment, continuance commitment and normative commitment. The affective commitment refers to employee's emotional attachment to, identification with and involvement in, the organization. The continuance component refers to commitment based on the costs that employees associate with leaving the organization. The normative component refers to employees feelings of obligation to remain with the organization.

Research objectives: The current study has the following objectives,

- To find the influence of job demographics (age, gender, experience, job position, type of bank, working hours) on turnover intention.
- To investigate the relationship between the three facets of organizational commitment and turnover intention.

III.   Research Methodology

This study is descriptive in nature and survey has been conducted among bank employees of both public and private sector banks in Madurai, Tamilnadu. 85 banks are randomly selected and a well administered questionnaire has been issued to 350 employees. The process resulted in the collection of 313 responses complete on all parameters for data analysis and interpretation.

Data collected through established questionnaire which included three parts. The initial part of the questionnaire was asked the demographic variables like age, gender, tenure, type of bank and working hours. The second part of the questionnaire measured affective commitment, continuance commitment, and normative commitment by using Allen and Meyer (1990) organizational commitment scale. The respondents are asked to rate the level of satisfaction using a 5-point Scale wherein 1= strongly disagree to 5= strongly agree. The third part of measured turnover intention by three items adopted from Michigan organizational assessment questionnaire (Cummann et. al., 1979). Wherein the participants

were asked to show the extent to which they agree/disagree in a five-point Likert scale (1 = strongly disagree, 5 = strongly agree).

Reliability Analysis of the Scales

Table 1: Reliability Statistics

Scale	Cronbach's Alpha	N of Items
Affective commitment	0.828	4
Continuance commitment	0.888	4
Normative commitment	0.787	4
Turnover intention	0.901	3

Cronbach's Alpha Coefficient score was used to check the internal consistency of the items in the scale is satisfactory or not. Cronbach's Alpha Coefficient values for the scales of affective, continuance, normative commitment and turnover intention are 0.828, 0.888, 0.787 and 0.901 respectively. The alpha score is confirmed that the reliability of the questionnaire is very satisfactory

IV.   Analysis & Discussion

The Statistical Package for the Social Sciences (SPSS) software was used to analyze the data for this study. Demographic data were described by frequencies and percentages. The independent sample T-test and one way ANOVA were used to test the association between gender, age, education, salary, type of bank, experience and turnover intentions. Finally Pearson correlation analysis was used to determine the strength and direction of the relationship between affective, continuance, normative commitment and turnover intention.

Table 2: Frequency and percentage of job demographics of respondents

		Frequency	Percentage
Gender	Male	205	65.5
	Female	108	34.5
Age	Less than 25	73	23.3
	25 to 35	143	45.7
	35 to 45	33	10.5
	More than 45	64	20.4
Educational level	Graduate	159	50.8
	Post Graduate	136	43.5
	Others	18	5.8
Salary	Below 25000	175	55.9
	25000 to 35000	54	17.3
	30000 to 35000	31	9.9
	above 35000	53	16.9
Type of bank	Public Sector	205	65.5
	Private Sector	108	34.5
Experience	Less than 5	179	57.2
	5 to 15	59	18.8
	15 to 25	40	12.8
	More than 25	35	11.2

In this study males (65.5%) are more than females (34.5%). In case of age, 23.3% of the respondents were below 25 years of age, 45.7% of the respondents were in the age group 25 - 35 years, and 30.9% of the respondents were in the age of more than 35 years. There are159 respondents were graduates and 136 were post graduates. Majority of respondents were getting 25000 rupees and below and about 16.9% were getting more than 35000 rupees as salary per month. There are 205 employees from public sector banks and 108 employees are from private banks participated in this study. In terms of experience majority of responses were working less than 5 years (57.2%) followed by 5-15 years (18.8%) of experience.

Table 3: The mean, standard deviation, Skewness and kurtosis for affective commitment, continuance commitment, normative commitment and Turnover intention

Factors	Mean	Standard deviation	Skewness	Kurtosis
Affective commitment	14.2907	2.81397	-0.449	-0.056
Continuance commitment	12.3898	3.42429	0.111	-0.627
Normative commitment	14.4281	2.48239	-0.207	0.419
Turnover intention	9.3035	3.47803	-0.244	-1.274

The table depicts the description about all the three facets of organizational commitment and turnover intention. The total scores of affective commitment, continuance commitment and normative commitment are between 4 and 20. The minimum turnover intention total is 3 and maximum is 15, in that the mean is 9.3035 and standard deviation is 3.47803. The values of Skewness and kurtosis will help to determine whether the data is normally distributed or not. When the scores of Skewness and kurtosis are between the ranges of +2 to -2, the data is normally distributed (George and Mallery 2003). In this study the values of Skewness and Kurtosis of affective commitment, continuance commitment, normative commitment and turnover intention are lying between the ranges of +2 to -2. It ensures all the data are normally distributed in this study.

Level of turnover intention

This study followed Chidambaram and Rama (2006) suggestion about grouping the respondents reports on the level of turnover intention. The formula suggested by Chidambaram and Rama as follows;
1. >X + S.D = high level of turnover intention
2. < X - S.D = low level of turnover intention
3. X + S.D. and X - S.D = medium level of turnover intention

Table 4: Level of turnover intention

	Frequency	Percent
Low turnover intention	86	27.5
Medium turnover intention	112	35.8
High turnover intention	115	36.7
Total	313	100.0

The respondents of 36.7% are highly intended to leave from their work places. Only 27.5% of bank employees perceived low turnover intention; remaining 35.8% of the employees are in the medium level of turnover intention.

Association of job demographics with turnover intention

Table 5: Association of gender, job position, type of bank, and working hours with Turnover intention

	F	P value	Sig.
Gender	1.569*	0.118	Insignificant
Age	19.518	0.000	Significant
Education	9.716	0.000	Significant
Salary	18.054	0.000	Significant
Type of bank	-4.518*	0.000	Significant
Experience	16.838	0.000	Significant

* Value of Independent sample t-test and significant level

Independent sample t-Test is used to check the association of turnover intention with gender and type of bank. Results are shown in the table 5; a p-value is more than 0.05 for gender which provided a strong evidence of no impact of gender on turnover intention. The type of bank strongly associated with turnover intention with the p-value as 0.000. One way analysis of variance (ANOVA) was also used to check if age, education, salary and experience have any impact on the turnover intention. Results of one-way ANOVA, shown in the above table illustrated F values of age (0.000), education (0.000), salary (0.000) and experience (0.000) is very high and the significance of all variables is less than 0.05. It indicates that there is a significance difference in age, education, salary and experience on turnover intention.

Table 6: Association of affective commitment, continuance commitment, normative commitment and Turnover intention

	F	Sig.	Sig.
Affective commitment	21.378	0.000	Significant
Continuance commitment	11.638	0.000	Significant
Normative commitment	35.862	0.000	Significant

Table 6 is shown the f values of affective commitment, continuance commitment, and normative commitment on Turnover intentions which are less than 0.05 significant levels. It is clearly revealed that there is a significant association between affective commitment, continuance commitment, normative commitment and Turnover intention.

Table 7 . Relationship between organizational commitment and turnover intention

		Affective commitment	Continuance commitment	Normative commitment	Turnover intention
Affective commitment	Pearson Correlation	1			
	Sig. (2-tailed)				
Continuance commitment	Pearson Correlation	0.344**	1		
	Sig. (2-tailed)	0.000			
Normative commitment	Pearson Correlation	0.668**	0.290**	1	
	Sig. (2-tailed)	0.000	.000		
Turnover intention	Pearson Correlation	-0.498**	-0.310**	-0.384**	1
	Sig. (2-tailed)	0.000	0.003	0.000	

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

The Pearson correlation coefficient was adopted to determine the relationship between affective commitment, continuance commitment, normative commitment and turnover intention. The r score between 0.10 and 0.29 indicate a small correlation, while r value between 0.30 and 0.49 indicate a medium correlation and a coefficient between 0.50 and 1.0 indicate a large correlation (Sidin and Zawawi, 2002).

The correlation analysis results show that all three facets of organizational commitment have a significant inverse relationship with an employee's turnover intention. Affective commitment showed large correlation with turnover intention with r value as -0.461 ($p<0.01$) while both continuance and normative commitment demonstrated a medium correlation with r value as -0.310 ($p<0.01$) and r value as -0.384 ($p<0.01$) respectively.

Discussion

The primary objective of this study was to find the influence of job demographics on turnover intention and the second objective was to investigate the relationship between the three facets of organizational commitment and turnover intention among bank employees.

The 36.7% bank employees are highly intended to leave from their working places. Only 27.5% of bank employees perceived low turnover intention; remaining 35.8% of the employees are in the medium level of turnover intention.

In t-test, the p value of gender (0.118) is greater than 0.05 says that there is no significant association between gender and turnover intention. The employee whether male are female, there is no difference among them in the intention to quit. At the same time the findings reveal that the ownership of bank whether public or private bank, strongly associated with turnover intention with the p value is less than 0.05 significant levels. From the ANOVA test, the p value of age with the turnover intention is less than 0.05 significant levels. It ensures that there is significant association between age and turnover intention. The p value of education is 0.000 is less than 0.05, there was a significant association between education and turnover intention. Salary has a high significant association on intention to leave among employees with the significant value of 0.000. The variable experience (p=0.000) also influences the turnover intention of the bank employees who took part in this study.

The correlation analysis results of this study confirmed there is a significant and negative relationship between turnover intention and affective commitment, continuance commitment and normative commitment. The results suggest that among the three dimensions of organizational commitment, the employee's affective commitment to the organization is the most important predictor of turnover intention. Employees are less likely to leave when they are emotionally attached to and identify with their organization.

V.   Conclusion

This study has given a greater understanding on the organizational commitment, turnover intention and demographics which are related around these two phenomenon. Findings of the study would help specialists, managers and policy makers of banks to formulate appropriate strategies to resolve the issue of turnover intention. The banks could find a commitment strategy to get a committed workforce through adaptation of suitable human resource policies in training, career planning and advancement opportunities,

employee participation and compensation plan, by that they could reduce employee turnover intention.

In view of changing business scenario, banks must put more effort to enhance their competences, and at the same time they must keep this in their mind that the success and competing power of the banks depend on committed highly motivated, satisfied and innovative human resources. The high satisfied employees are more expected to be highly committed to the banks, but it is important to know how these employees connect to the organization in terms of membership status. To sum up, if a bank needs a highly interested, loyal, productive human resource, it should not forget the importance organizational commitment. It is obvious that high organizational commitment will avoid turnover intention and actual turnover. Each and every employee has his own needs and expectations and it is very hard to satisfy every need and expectation of the employees. Both employee and employer should try to create a working atmosphere that they will work in a happy, motivated and productive environment to reach the certain goals.

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Theorizing Unemployment among Management Graduates in Sri Lankan State Universities with the Theory of Communicative Action

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Abstract

Universities around the world have already shifted or are shifting from the original purpose to the production of employable graduates in the current era. Therefore, producing employable graduates has become one of the primary functions of Universities. Problems regarding unemployed and underemployed graduates in Sri Lanka are continued from the last three decades. The lack of coordination and cooperation among various stakeholders is the main reason for the plight of the unemployed graduates. The objectives of this study are firstly, to analyze issues related to coordination and cooperation of stakeholders in the university system in respect of employability issues; and secondly, to evaluate the roles of power in relation to the coordination and cooperation of stakeholders in the university system with respect to employability issues; Attention is paid to exploring the reasons for the issue via the lens of the theory of communicative action. This empirical study was undertaken as a qualitative embedded single case study strategy to investigate this phenomenon, and adopted in the critical constructive nature of research philosophy. Accordingly, based on the empirical evidence of the study, it is concluded that the bureaucratic system practiced in management faculties overrun the lifeworld of academics and other stakeholders. Instrumental action in the decision making process and asymmetrical power relations among stakeholders prevent free speech space in the university set up, which has resulted in a lack of coordination and cooperation among stakeholders. The unique findings of the study add to the TCA on how a university accomplishes its goal in the absence of a mutual understanding or free speech situation among stakeholders

Keywords: Management, Graduates, Universities, Srilanka, Academics.

1. Introduction

Higher education has been recognized as a major component that contributes to society by improving the quality of human life (Tang et al., 2010). Knowledge production, institutional autonomy and academic freedom are vital features in the conventional universities, not only in Sri Lanka but also in the rest of the world (Rasmussen, 2007). The main purpose of the universities is to generate knowledge where research is the backbone of academics. Different academic fields of knowledge are developed through combined research work with industries and community (university-industry/business linkages) around the globe (Readings, 1999; Rasmussen, 2007). However, universities around the world have already shifted or are shifting from this original purpose to the production of employable graduates in the current era. Therefore, producing employable graduates has become one of the primary functions of Universities (Feller, 1997; Hommadi, 1990; World Bank, 2012, Fremont, 1965, Datar and Srikant, 2011).Consequently; universities have moved from pure knowledge centres to market centres i.e. producing employable graduates. With the rise of neoliberalism, the employability of graduates has become a more important goal of universities than ever before (Feller, 1997).Thus, the inability of universities to produce employable graduates is considered a critical issue (De Silva, 2014).

This paradigm shift can be seen not only in all established universities in the developed world like Cambridge and Harvard, but also in Universities in developing countries like Sri Lanka and India (Datar and Srikant 2011). However, many have questioned the role played

by Sri Lankan public Universities in increasing employable graduates (UGC, 1996, 2006; The Commonwealth of Learning and ADB, 1999; QAH for Sri Lankan Universities, 2002; Ministry of Tertiary Education and training, 2003; IRQUE, 2005; Siyambalapitiya, 2005; QAAC, 2007; Tharmaseelan, 2007; HETC, 2010; Wijesundera, 2011; Nawaratne, 2012;Sharmila, 2013).The unemployment rates among the Sri Lankan graduates are high, compared to developing countries such as Singapore, Malaysia and Thailand (Wickramasinghe, 2010). Moreover, the average overall employability ratio of Universities in Sri Lanka is 54% (Nawaratne, 2012). The Faculties of Arts and Management have higher rates of unemployment in the country and accounted for 76% and 36% of unemployed graduates respectively, whereas Medicine and Engineering accounted for 10% and 7% respectively in 2012. Consequently, the unemployment rate of Management Graduates is second next to the rate of Arts and Social Sciences graduates (Wickramasinghe, 2010; Nawaratne, 2012; De Silva, 2014). It has been repeatedly noted in the literature that Sri Lankan Universities, especially Management Faculties are far behind, compared with developed and even in some developing countries (Wickramasinghe, 2010).

This study has sought to answer the research question as to why the Management Faculties of Sri Lankan State universities continue to produce graduates who find it hard to obtain jobs in the employment market. Problems regarding unemployed and underemployed graduates in Sri Lanka are not a new phenomenon, which has been reported since the academic year 1959/60.

According to Wickramasinghe (2010), graduate unemployment or underemployment is due to a mismatch between the aspirations of graduates and the employment opportunities available to them. Further, previous studies have indicated that a mismatch between supply and demand conditions for graduate employment is due to the supply driven education system, which produces graduates who are not suited to labour market conditions. (Ranasinghe, 1992; Davies, 2000; Finn, 2000; Lindsay, 2002; Central Bank of Sri Lanka, 2003; Weligamage and Siengthai, 2003;National Science Foundation of Sri Lanka,2004;Ariyawansa,2008; Wickramarachchi,2008). The issue as to why Management Faculties of Sri Lankan universities continue to produce graduates who find it hard to obtain jobs in the employment market still remains unanswered.

2. Research problem

In order to place the above issue in its current context in Sri Lanka, particularly because of the paucity of literature on the theme, a preliminary study was undertaken to explore why management graduates are unemployed. The findings of this of study revealed that the immediate causes for unemployable graduates are outdated curricula, poor service quality of academics and lack of industrial linkages, factors that were revealed in the previous round of interviews as well. However, the new insight gained in the consequent interviews was the lack of coordination and cooperation among stakeholders. The views of both academics and employers reveal that Management Faculties ought to have strong coordination and cooperation with other stakeholders, including the private sector. This is further evidenced by the report of the World Economy Forum (2012/13), which states that the Sri Lankan University and Industry collaboration in Research and Development is ranked 40 out of 139 Countries. These discourses clearly show that a lack of coordination and cooperation among the stakeholders is the backdrop to contemporary issues pertaining to graduate unemployment. Therefore, the research problem of the study is reformulated as "Why do Management Faculties fail to build coordination and cooperation among their stakeholders resulting in low employability among their graduates?"

3. Objectives of the Study

The lack of coordination and cooperation among the stakeholders of the Management faculties in Sri Lanka is the research problem of the study. The above studies do not focus on the reasons for the lack of coordination and cooperation among diverse stakeholders. The knowledge gap pertaining to the study is that the above phenomenon has not been properly studied in higher educational institutions in the global context, except in the study conducted by Kest (1965). This study highlights the significance of coordination and cooperation between the university (school of Management) and industry and the business community. Even after half a century of interaction, the problem still exists. Therefore, the objectives of the study are

1. To analyze issues related to coordination and cooperation of stakeholders in the university system in respect of employability issues.
2. To evaluate the roles of power in relation to the coordination and cooperation of stakeholders in the university system with respect to employability issues.

The study attempts to understand the research problem focusing on the answers to the research question, and the rationality and justification for the study are given below.

4. Relevance and Significance of the Study

Sri Lankan Universities are lagging behind the expectations of many who have questioned the role played by them in national development. The Commonw ealth of Learning and ADB, 1999; Tharmaseelan, 2007, Sharmila, 2013; UGC, 1996, 2006). There has been no systematic inquiry into this issue. Thus, the reasons for the low employability of graduates are not yet known; and the literature available in respect of other countries is inconclusive.

The scope of previous studies covers unemployment and its consequences, and researchers mainly employed survey methods (Siyambalapitiya, 2005; Tharmaseelan, 2007; and Nawaratne, 2012). These research studies have focused on immediate causes for unemployable graduates such as skills mismatch or employability itself i.e. level of employability among different graduates. On the contrary, the focus of this study is onthe coordination and cooperation among stakeholders that seem to be behind those immediate causes.

5. Methods and Methodology

The philosophical foundation of this study is a critical social constructivist paradigm, since the contexts of the study are human related. A single embedded case study strategy, together with qualitative methodology, was adopted while taking a critical constructivist research philosophy.Twenty nine in-depth interviews, three focus group discussions and documentary reviews were used as data collection methods. Students, academics, academic administrators, non-academic administrators, alumni, unemployed graduates, industrialists, representatives from UGC and MoHE were interviewed from March 2014 to February 2015. The researcher has undertaken a qualitative approach which leans towards constructionists in analysing the data as a critical interpretive framework. As a triangulation method, the interview, focus group discussions and documentary evidence were analysed.

According to the analysis of data collected from the case study cite, the study identifies academics, administrators, industrialists, Government staff and students as important stakeholders, where the coordination and cooperation among them are essential to ensure graduate employability.

6. Theory of Communicative Action for the study

Habermas (1984) developed the Theory of Communicative Action (TCA) and its foundation lies on twin theories of resource of action theory and systems theory (Flynn, 2007). The main assumption of TCA is that people prefer to communicate with each other if they have equal opportunities to communicate and reach their goals through agreed mutual understanding, which Habermas calls an 'ideal speech situation'. However, the theory further states that present society is bound up in bureaucracy, and because of the mediations by the bureaucracy, society has lost the ideal speech situation and, therefore, society cannot reach goals through mutual understanding. Instead, society uses power and money as steering mechanisms to reach coordination and cooperation towards achieving its goals.

7. Arguments and Propositions for the Study

The TCA offers insights into critical understanding of how stakeholders in the University, Management Faculty and the industries employ coordination and cooperation in order to work together, to produce employable graduates in management faculties in universities. The section also discusses how the research will test the TCA and its associated concepts such as lifeworld, system, communicative action, instrumental action and powers. The TCA, as argued in the section, shows that the absence of equal opportunities for all participants to communicate in an undistorted manner, leads to the lack of coordination and cooperation among them. In the light of the TCA, the study developed a frame of inquiry consisting of four Propositions, namely, a) when the system overruns the lifeworld, it is likely to result in poor coordination and cooperation among different stakeholders in the management faculties of Sri Lankan universities, b) when instrumental/strategic action overruns communicative action, it is likely to result in poor coordination and cooperation among the stakeholders in Sri Lankan Management Faculties, c) when power relations among stakeholders become asymmetric, it may lead to poor cooperation and coordination in management faculties, and d) the weaker the coordination and cooperation among stakeholders of Sri Lankan Management Faculties the lower may be the employability of graduates.

These four propositions are formulated on the basis of the relevant theoretical literature, the theory of communicative action and the findings of the preliminary study. The four propositions focus on the effects of the lack of coordination and cooperation among the stakeholders and the possible causes for it, such as the domination of the system over the lifeworld of academics in the Management Faculties, asymmetrical power relation among the stakeholders, and instrumental decision making of the academic administrators of the Management Faculty and of the University as a whole.

8. Findings of Study

The coordination and cooperation are studied with the sub-themes derived from the TCA - forum for dialogue, level of trust between the main stakeholders, commitment towards achieving the common goals, and finally, recognition of mutual expectations of the parties.

Put it differently, forum for dialogue, level of trust between the main stakeholders, commitment towards achieving the common goals, and finally, recognition of mutual expectations of the parties are taken as indicators of coordination and cooperation among stakeholders. The analysis shows that there is a lack of coordination and cooperation between the academics and the other stakeholders.

Further, it shows, as it is theorised in the TCA, the pattern of implementing bureaucratic systems in universities has negatively influenced coordination and cooperation among the stakeholders due to a lack of mutual understanding. Furthermore, coordination and cooperation has become worse because of asymmetrical power. Accordingly, findings revealed that neither the bureaucratic system nor mutual understanding provides a conducive platform to realise coordination and cooperation in this particular Management Faculty, thus it has failed to reach the goal of graduate employability. Power is a medium and mechanism in the bureaucratic system which assumes control of all activities of individuals of the universities. The bureaucratic system along with dominant academic administrators/academics who gain power through hierarchical organization, hierarchical society and or personal achievement, does not permit people to engage in open dialogue, paving the way for people to lose their mutual trust which leads to less commitment towards achieving the common goals.

The study provides sufficient evidence to accept the four propositions advanced in the present study. Lack of forum for dialogue, lack of trust between the stakeholders, commitment towards achieving the common goals and finally non-awareness of mutual expectations of each other, are emphasized, showing lack of coordination and cooperation that exists among the stakeholders, particularly between academics and other stakeholders of the university. Reasons for the lack of coordination and cooperation being the lifeworld of academics is overrun by the system, as well as lifeworld itself, asymmetrical power relations among the stakeholders and the instrumental action and strategic action followed by the academic administrators, rather than communicative action in the decision making process, from the perspectives of the research participants. This evidence can be taken as additional support for the advancement of the theorem in the present study.

This study has found further that the academics do not work independently, they lose their academic values, and they perceive an absence of ownership and autonomy. Absence of this ownership and autonomy leads to less commitment and less engagement with academic programmes and the activities of the university. Therefore, the bureaucratic system controls freedom of the academic, ultimately influencing the lives and values of academics which contribute to graduate unemployability.

The government imposes rules and regulations on the day to day activities of the academics, which are far away from the concepts in the Hombolt model of the university. The basic principle of the university is academic freedom and institutional autonomy, which support to produce knowledge through teaching and research to contribute to society. Violatingthe basic principle, academic freedom and institutional autonomy are taken away from the university set up in Sri Lankan state universities.

Accordingly, based on the empirical evidence of the present study, it is concluded that the bureaucratic system practiced in management faculties overrun the lifeworld of academics and other stakeholders. Instrumental rationality in the decision making process and asymmetrical power relations among stakeholders prevent free speech situation in the university set up, which has resulted in a lack of coordination and cooperation among stakeholders. These practices have collectively created asymmetrical power relationships between academic administrators and even some academics.

This asymmetrical power among the academic administrators and academics destroy the communicative action in the university system, mainly through politics with instrumental and strategic actions. The academic administrators use their power to control the process and implement his or her own desires in the universities. Each faculty and department functions under one leader's opinions, and once he or she leaves the position or the office, the entire system of the university collapses. Therefore, the role of academic leaders and deployment of power, play a vital role in the University System in Sri Lanka.

According to the discourse of the study, three major root causes for the lack of coordination and cooperation are explored. Firstly, the overrunning of the lifeworld of academics by the bureaucratic system, secondly, instrumental/strategic action of academic and administrative leaders, thirdly, asymmetric power relations among academics and academic leaders, have in combination influenced academics and have destroyed the space for communication or the ideal speech situation. In addition, Sri Lankan hierarchical and diffident culture, further impact on the ideal speech situation which prevents itself in the lifeworld of academics. These scenarios affect mutual understanding among the stakeholders, which lead to lack of coordination and cooperation among the stakeholders. It creates a gap, particularly between major stakeholders of academic and industry, which results in low graduate employability among the management graduates. Therefore, coordination and cooperation among the stakeholders directly influence graduates' employment, which is a new contribution in the present study.

Therefore, it is theorized that the common goal (employability of graduates) is not fully achieved due to a lack of coordination and cooperation, which is caused by the absence of free speech and loss of mutual understanding among the key university stakeholders. On the basis of the TCA and data gathered, a new theory is derived and added to the existing body of knowledge as the "Theory of graduate employability" which is advanced as "strong coordination and cooperation among the stakeholders of a university through anideal speech situation that is likely to ensure the employability of its graduates".

The study provides evidence that 'a free speech situation' is not possible among stakeholders, because of the hierarchical relationships among them. A free speech situation is a situation where all stakeholders have the freedom to express their own views without any outside pressure or intervention. Therefore the theory of communicative action cannot be applied without modification to the actual situation in Sri Lanka. A theoretical and practical way-out for coordination and cooperation in a context where a 'free speech situation' is not always available. The theory argues that in the absence of conditions for free communicative exchange among stakeholders, coordination and cooperation is likely to remain weak and ineffective, reproducing the problem of graduate unemployment.

In the case cited, the bureaucratic system in the university overruns the lifeworld of academics through hierarchical (asymmetric) power used as a steering medium and mechanism. The bureaucratic system influences and prevents the ideal speech situation directly and indirectly, through controlling of the lifeworld of academics. Asymmetric powers between academic administrators and academics also control the ideal speech situation through micro- politics, which is controlled by the levels of power among academic leaders and academics. Academic leaders (practicing instrumental rationality) in the decision making process in the university system in Sri Lankan State university, reduces the space for an ideal speech situation in the universities.

This situation, i.e absence of space for ideal speech, directly influences the level of mutual understanding and agreement among the stakeholders and leads to a lack of coordination and cooperation among the stakeholders of the Management Faculty under study, resulting in the production of unskilled and incompetent graduates, whose abilities

do not match with the requirements of the labour market and contributes to unemployment among management graduates in State universities in Sri Lanka.

According to the research findings, the free speech situation does not assist strong coordination and cooperation among stakeholders due to cultural and systematic barriers in the university set up in Sri Lankan universities. The academics realise their own roles in the process of producing employable graduates in instances where academic administrators work freely without any personal agenda. If academic administrators work altruistically and implement good governance, the goals of university will be achieved. This would be a 'transformative practice,' that can address the problems of this thesis. This transformative practice will help to develop a similar situation to free speech which is highlighted by Habermas (1984) in the TCA.

The next research will be carried out in Sri Lankan or other countries in different sectors, by applying Communicative Action Theory to explore how mutual understanding prevails. In addition, it will be examined with Herbamas's argument whether it is matched or contradicted. Further, the present study opens a path to investigate cultural aspects of the individual and society and how it impacts on the levels of coordination and cooperation among the stakeholders. This level of cooperation and coordination of individuals is again influenced by their attitude which is another area to be investigated.

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(Un)Sustainable Consumer Behaviour in Sustainable Tourism

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Abstract

*The term sustainability has been subject to an increasing rate and range of use, by researchers, environmentalists, business interests and society, over recent decades. Sustainable development ideas have a foot-hold in many fields, one such peculiar case, is that of tourism: "sustainability is central to tourism's future" (Editorial in Journal of Cleaner Production, 2016, p. 286). Despite sustainable tourism being a well established and mature academic field "the implementation of sustainability in practice has been problematic" (McLennan et al, 2016, p. 348). Sustainable tourism can be viewed from two perspectives – macro-sustainability (governments, organizations) and micro-sustainablity (individuals, community). More often, the focus is less micro-sustainability topic – individual behaviour. Although, majority of consumers agree with the principles of sustainable development paradigm, majority of their behaviour remains unsustainable. Therefore **the aim of this article** – understand the influences that make sustainable tourism product consumer behaviour is (un)sustainable.*

Keywords: Sustainable Development, Sustainable Tourism, Consumer Behaviour, Behaviour Gap.

I.   Introduction

The term *sustainability* has been described as a "triple bottom line" concept, according to this concept the term *sustainability* encompasses three dimensions: economic, environmental, and social (Elkington, 1997). The topic of sustainability is extensively researched by academics, discussed by business interests and society. A multitude of completed/ongoing projects, strive for ensuring succesful implementation of sustainability, e.g., EU-INNOVATE, GLAMURS, POCACITO, PACT, PASHMINA, SUSTAINCITY, SPREAD and others (European Commission, 2014).

Sustainable development ideas are popular throughout a myriad of fields, one of such fields is tourism, according to the Journal of Cleaner Production Editorial (2016, p. 286) "sustainability is central to tourism's future". Tourism is a growing industry, in 2015 it was observed to exhibit "the 6th consecutive year of above-average growth, with international arrivals increasing by 4% or more every year since the post-crisis year of 2010" (UNWTO, 2016), therefore it is important to further ensure future growth of this industry, in an environmentally sensible manner. It is namely the discussions on topic of sustainability suggested to address the rising need for a balance between economic and environmental interests in tourism (Mihalic, 2016). Research on the topic of sustainable tourism is not new, sustainable tourism as a research area commenced barely two decades ago (Buckley, 2012).

Sustainable tourism is a well-established academic field, with its own research journals such as the *Journal of Sustainable Tourism* and the *Journal of EcoTourism* (Yeoman et al, 2015). The United Nations (UN) General Assembly has approved the adoption of 2017

as the International Year of Sustainable Tourism for Development. The resolution, adopted 2015 December 4th, recognizes "the importance of international tourism, and particularly of the designation of an international year of sustainable tourism for development, in fostering better understanding among peoples everywhere, in leading to a greater awareness of the rich heritage of various civilizations and in bringing about a better appreciation of the inherent values of different cultures, thereby contributing to the strengthening of peace in the world" (UNWTO, 2015).

Sustainability in tourism means that all: 1) economic; 2) social; 3) environmental aspects of sustainable development must include the interests of all stakeholders (Golja and Slivar, 2014), that would ensure sustainable industry growth. Yet despite all the efforts, it has been empirically demonstrated that tourism industry is less sustainable than ever, and continues to increase its absolute contribution to greenhouse gas emissions and therefore climate change (Hall, 2013)

While a lot of discussions on the changes on macro or mezzo level are active, the micro level: consumer - consumer behaviour, awareness, lifestyle, decision making and other aspects are largely ignored. Usually, consumers are perceived as adopters of sustainable products and services developed by tourism industry. Hence, this way, consumers are seen more as passive recipients (European Commission, 2014), rather than active end users, that could impose influence in ensuring of sustainability in tourism industry.

Sustainable consumer is anyone whose purchase behaviour is influenced by one or more of "triple bottom line" dimensions (Gilg et al, 2005). Sheth et al (2011, p. 24) described sustainable consumerism as understanding and evaluation of "the environmental impact of consumption on environmental well-being", this way, involving social, cultural, community, and personal effects ensuing from consumption.

Hence, there is a need to understand the situated meanings associated with sustainability and environmental behaviours of consumers. It is important to analyse how individuals translate and apply sustainability knowledge in their daily lives and decision-making, including with respect to consuming travel and tourism (Hall, 2013). **The aim of the article** – understand, due to which influences sustainable tourism product consumer behaviour is (un)sustainable.

The article consists of three parts. First part discusses various sustainable tourism problems and their relations to sustainable consumer behaviour. Second part discusses consumer behaviour gaps - "knowledge – behaviour gap" and "attitude – behaviour gap". Third part presents the model of sustainable tourism consumer behaviour influence.

I. Sustainable Tourism and Consumer Behaviour

Sustainability is considered one of the more important elements that will ensure succesful tourism industry growth (Editorial in Journal of Cleaner Production, 2016). Despite sustainable tourism being a well-established and mature academic field "the implementation of sustainability in practice has been problematic" (McLennan et al, 2016, p. 348). Discussed

in this chapter are some of the sustainable tourism problems also focus is given to the relation of these problems with the topic of consumer behaviour.

Risks of natural resources depletion and climate change. Tourism should maximize benefits and minimize negative costs on economic and social impacts on the local communities, cultural heritage and the environment (Andersson and Lundberg, 2013), however, the concentration of tourists in a set geographical area may result in the risk of damage and in the irregular consumption of natural resources (Franzoni, 2015). Climate change and its links to tourism have been examined intensively (Buckley, 2012), however, with constant growth of tourism industry and consumption of tourism products, so does the negative influence on the climate. Sustainable tourism stakeholders and consumers should take into account the reduction of environmental impacts, climate change, greenhouse gas emissions, water stewardship, energy efficiency, waste management and recycling, environmentally responsible sourcing, bio-diversity and the protection and preservation of natural resources (Jones et al, 2016).

Self-regulation and sustainable image. Approaches to sustainability such as self-regulation, corporate social responsibility, eco-certification and destination marketing have been intensively communicated and applied, however a lot of empirical research has proven them to be largely ineffective (Buckley, 2012). It is often discussed, that there is a lack of universal sustainability standards and criteria acceptable to stakeholders of tourism. Therefore, as is often a case, the organizations engage in the so-called green-wash practice, which denotes a "marketing gimmick suggesting concern for the environment to boost the sales of tourism without implementing any sustainability concepts" (Chen, 2015, p.226).

Traditionally, the sustainable tourism development paradigm has included three "triple bottom line" dimensions, however, achieving a balance among these three classic dimensions of sustainable tourism is difficult. Cottrell et al (2013) suggests, that there should be a fourth – institutional – perspective to manage, mediate and facilitate growth. This way ensuring universal standards and criteria and prevent organizations from promoting themselves as sustainable without implementing sustainability concepts.

Majority of research, related to sustainable tourism and consumer behaviour takes up product analysis, ways to make the product more attractive to consumers are investigated (Hatipoglu et al., 2016), e.g. what factors ensure sustainable beach tourism (Chen and Bau, 2016). A lot of studies focus not on the behavioural peculiarities of the consumer, but rather the image of sustainable organization. For example: according to Chen (2015) performing environmentally friendly operations allow a tourism organization to build its image of caring about the living environment of human beings, this only emphasises the notion, that sustainable tourism practices are often employed to achieve economic benefit to the organization, because sustainable tourism could broaden its current consumer base.

Sustainable competitive advantage. Different authors, when analysing sustainable tourism and consumer behaviour focus on the concept of sustainable competitive advantage (Evans, 2016). The relationship between sustainability and the competitiveness of a tourism destination has been defined simply – sustainability can improve competitiveness (Cucculelli and Goffi, 2016). Even though, the scientific literature investigating sustainable tourism is

ripe with research stating that "consumers are more likely to purchase products and services from companies that engage in environmentally friendly and sustainability actions" there is also a part that states "consumers do not believe these aspects are relevant for positive assessment and choice" (Melo and Farrias, 2014, p. 150). Melo and Farrias research has shown that, sustainability aspects are of little or no importance to the consumer's choice of the tourism product, however, there is still no clear consensus.

To sum up, it can be stated that the consumer behaviour in the tourism industry generates negative influences on the environment (Han and Yoon, 2015). Hence, organizations, governments and society itself must proceed "towards more sustainable patterns of consumption is becoming increasingly pressing" (Jones at el, 2016, p. 52). In order to ensure sustainable consumption and production it is recommended to supplement the "triple bottom line" concept with a fourth – institutional perspective.

II.   Sustainable Tourism Consumer Behaviour Gaps

Despite the numerous initiatives constantly being undertaken from the international to the local levels, there has still not been any "significant change in unsustainable patterns of consumption and production in tourism" (Torres-Delgado and Palomeque, 2014, p. 124). Although, majority of consumers agree with the principles of sustainable development paradigm, however, majority of their behaviour remains unsustainable. This is due to inconsistencies in consumers' behaviours – *"knowledge – behaviour gap"* and *"attitude – behaviour gap"*.

"Knowledge – behaviour gap". Firstly, barriers preventing consumer from purchasing environmentally friendly tourism products come from "individuals' lack of knowledge and ability to understand the consequences of their acts and habits" (Budeanu, 2007, p. 501). Therefore, the top priority is to provide consumers with enough information on sustainable products and choices, yet it is often the case that knowledge in possession does not translate to sustainable behaviour.

It is commonly thought that, the consumer, while possessing knowledge on sustainable tourism will make an environmentally-friendly decisions and will engage in responsible consumption, however, often, despite the awareness of environmental problems, they are understood as limited and too abstract or vague concepts. Respectively sustainable tourism consumerism is usually "not translated into personally relevant cognitions or motivating attitudes" (Hall, 2013, p. 1094).

According to Malone et al (2014) the notion that tourists (un)sustainable choices are influenced by the emotive aspects of the core consumption experience, therefore it is incorrect to assume that the consumer makes rational decisions based on all the information available. This does not mean that the consumer should not be supplied information about sustainable choices, however, information alone does not necessarily lead to increased awareness (Miller et al, 2016). Even increased awareness does not necessarily lead to sustainable action – sustainable consumer behaviour. In this situation it is important to note, that relevant sustainable tourism consumption information is "individually and socially contextualised and actioned" (Hall, 2013, p. 1094).

Friedl et al. (2005) found seven traveller types, to whom the authors recommend different supply of sustainable tourism products and a different way of communicating and

sharing information. E.g. 'sophisticated cultural travellers' are interested in sustainability and wish that to be communicated the tourism product offers, while 'fun and action seekers' will be more interested in a party train to a beach, where sustainability is "hidden" in the communication (Friedl et al, 2005).

According to Barber and Deale (2013) mindfulness is important to the sustainability knowledge – behaviour gap because: 1) mindful people consider the particular qualities of a situation before deciding what to do; 2) they build their base of knowledge by incorporating new and diverse information; 3) because they can view situations from multiple perspectives, mindful individuals better understand their impact on others (Barber and Deale, 2013, p. 102). Therefore, when solving the knowledge – behaviour gap problem, it is important to ensure consumer mindfulness towards sustainable tourism.

"*Attitude – behaviour gap*". When consumers possess information on sustainable choices and positive attitude towards sustainable products, they should make environmentally-friendly decisions when consuming. However, widely recognised, generally positive attitudes do not automatically translate into sustainable behaviour due to all kinds of contextual circumstances (Verbeek and Mommaas, 2008). Such, consumer "attitude – behaviour gap" while relying on various theories is extensively explained by Juvan and Dolnicar (2014).

Therefore, one of the main problems due to which "attitude – behaviour gap" arises, according to research by Juvan and Dolnicar (2014), the consumers do not relate themselves (micro level) with the overall issue (macro level), therefore consumer awareness has not been matched by behavioural change (Hall, 2013). Even the most environmentally aware tourists might not be more willing to alter travel behaviour (Hall, 2013), as it may require more resources, time, information etc.

According to Budeanu (2007) environmental alternatives may be difficult to access, less comfortable (coach transport), less appealing or require additional time for tourists (shifting from aeroplane to train transportation). While some tourists may be prepared to accept the alternatives, they have to have the available resources to do so (Budeanu, 2007). According to research by Nickerson et al it can be stated that "sustainability is being costly" (Nickerson et al, 2016, p. 170). When considering time expenses of longer journeys, it is worth mentioning that according to Dickenson and Peeters (2014) research, longer time of the travel is not only a negative experience. When considering the case of slow travel – travel itself is a core element of the tourist experience rather than an ancillary service using up valuable time.

Currently tourists are prepared to pay for luxury goods, as time is at a premium, with more intense use of resources in tourist consumption at destinations and during travel (Dickenson and Peeters, 2014). Hence, positive attitudes towards sustainable tourism do not correlate with economic preferences for sustainable tourism services (Zschiegner and Yan, 2006), this means that the consumers are not willing to pay for sustainable tourism products and services, and would much rather pay more for lesser time expenses.

Summing up, it can be stated that when striving for sustainability of consumer behaviour, the consumers themselves must possess information on the environmental-friendly choice and their outcomes. It would be useful to more extensively investigate the "attitude – behaviour gap", understand the reasons, why consumers possessing positive attitude towards sustainable tourism products choose unsustainable solutions, is it only price and time that influence this gap.

III.   Sustainable Tourism Consumer Behaviour Influence

Presented in this part is a model for sustainable tourism consumer influence (1 Pic.). Model is used to analyze what factors precede (un)sustainable consumer behaviour in tourism industry. Sustainable behaviour, primarily depends on the consumer itself, that is, the culture, knowledge, views, values and other aspects of a specific individual's life. Sustainability with regards to a person's day to day life, exerts influence in two aspects: micro-sustainability and macro-sustainability.

Figure 1. Model of Sustainable Tourism Consumer Behaviour Influences
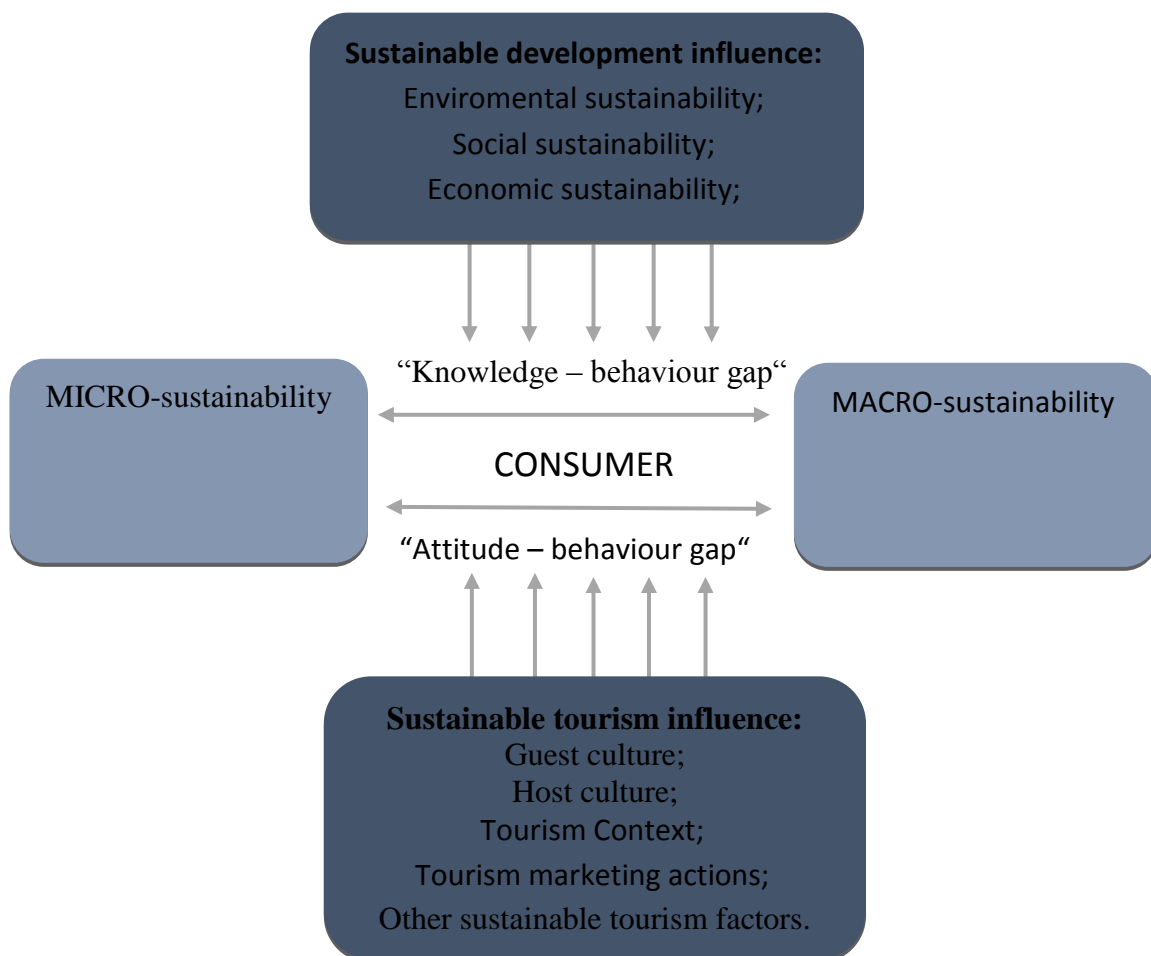
Micro-sustainability focuses on the small environmental actions and centers on individual efforts, behaviour modification and creating attitudinal changes, which result in an environmentally conscious consumer or community. This way, by creating a sustainable

lifestyle every person contributes to sustainable development, while *macro-sustainability* is in most cases addressed by governments, multi-national corporations or companies. This way, every organization or government can contribute to execution of sustainable development ideas. According to these definitions, consumer and consumer behaviour are classified as micro-sustainability, however, the consumer and consumer behaviour are influenced not only by sustainability of their daily activities and community, but also by decisions made on the macro level.

One of the reasons why consumers do not create sustainable lifestyles is the divide between micro-sustainability and macro-sustainability. Consumers do not relate their behaviour to global problems. According to Juvan and Donican (2014, p. 86) research, consumers, when interviewed on their beliefs (macro-sustainability) and their behaviour (micro-sustainability), most were in denial of consequences of their own actions ("it can all be fixed"), downward comparison ("others behave worse"), denial of control and importance of their actions ("I'm not rich enough"), compensation through benefits ("I'm doing more good than bad"). Hence, the consumers do not relate themselves (micro level) with the overall issue (macro level).

The exceptional quality of this model is that the consumer is not attributed and confined only to the micro level, but also becomes a more active actor, that is influenced on both, micro and macro levels and whose (un)sustainable decisions may influence both, micro and macro levels. Hence, it would seem natural, that the consumer would practically implement the knowledge on sustainable tourism in daily life, however, as was discussed at the beginning of the article, "the implementation of sustainability in practice has been problematic".

This occurs due to the "knowledge – behaviour gap" and "attitude – behaviour gap", that were discussed in the previous chapter. In order to address these gaps it would be useful to address two main influence sources – sustainable development and sustainable tourism, because both, principles of sustainable development and ideas of sustainable tourism influence the sustainable consumer behaviour. Sustainable development encompasses the "triple bottom line" concept and Cottrell et al (2013) suggested fourth institutional sustainability, while according to Cavanan (2016) model, sustainable tourism is highly influenced by guest culture, host culture and tourism context and other elements.

Therefore, according to the provided model, in order to ensure sustainable consumer behaviour in tourism industry, it is firstly necessary to exert higher influence from sustainable development and sustainable tourism in order to reduce "knowledge – behaviour gap" and "attitude – behaviour gap", due to which, consumers do not relate themselves and their behaviour when consuming tourism products with global problems. This way reducing the departure between knowledge, attitudes and sustainable behaviour.

Also are needed, tools for breaking "knowledge – behaviour gap" and "attitude – behaviour gap" and leaning the balance in favour of environmentally responsible behaviour (Budeanu, 2007). Macro-sustainability e.g. increasing the costs of environmentally destructive behaviour (fines, fees), decreasing the costs of environmentally proactive initiatives or actions, providing education (especially to younger generation) to make consumer aware and also show how their (un)sustainable choices can contribute, rationalizing available resources for a better distribution, etc. Micro-sustainability level e.g. promote sustainable decision making (adapt communication message according to the target audience), giving feedback to people about the consequences of their behaviour, share experience about benefits of sustainable tourism, etc.

IV.   Conclusion

Sustainable tourism is considered to be one of tourism industry's indicators of successful growth. However, it is important to ensure, that the increasing economic growth of the tourism industry does not result in increased harm to the environment. Often, when discussing the implementation of sustainable development principles, a lot of focus is devoted to organizations and governments, it is considered, that individuals have less influence – consumers, their behaviour and influence. It is apparent that consumer behaviour in the tourism industry generates negative influences on the environment, therefore the problem of (un)sustainable consumer behaviour needs to be addressed.

This article provides a model for sustainable tourism consumer influence model, which analyzes what influences (un)sustainable consumer behaviour in tourism industry. The exceptional property of this model is that the consumer is not confined to the micro level, and becomes an active participant, that is influenced and can exert influence on both, micro and macro level. It should be emphasized, that there is a big departure from the consumer and consumer behaviour and global problems – consumers do not see their input and see no potential to contribute to solving environmental problems.

Hence, in order to make the consumer behaviour sustainable it is firstly necessary for the consumer to possess information on environmental-friendly choices and understand the influence of their choices. This way the apparent "knowledge – behaviour gap" and "attitude – behaviour gap", would be solved, in an attempt to achieve "knowledge → attitude → behaviour" flow.

When performing further research, it would be useful to more extensively investigate "attitude – behaviour gap", understand the reasons, why consumers possessing positive attitude towards sustainable tourism products choose unsustainable solutions, is this gap influenced only by price and time. Also it is necessary to further investigate the reasons for departure between consumer and consumer behaviour and global problems, and how to eliminate these reasons. Lastly, it is necessary to empirically investigate, how sustainable tourism is influenced by aspects described in the consumer influence model.

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Building a Conceptual Model of Complaint Management: Theoretical Insights

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Abstract

This article addresses the problematic of complaint management as a strategic tool to awaken businesses which are not capable of satisfying consumers' needs. To investigate this issue theoretical research is used. Authors of this article analyse theoretical insights of both foreign and Lithuanian authors. The research looks into the views various management representatives and researchers have on the essence and topicality of the complaint management concept and methods of forming complaint management. Finally, a theoretical conceptual model of complaint management is formed.

Keywords: complaint management, complaints, satisfaction.

I. Introduction

The significance of the issue is determined by the importance consumers are addressing to economic and social life of Lithuanian enterprises and many different views and conceptions when explaining and satisfying consumer needs. According to S.F. Stershic (2001), the main reason why customers choose a product or service provided by a competitor is a lack of attention from the company, the feeling that their wishes and needs are not sufficiently taken into consideration. According to D. Tankevičiūtė (2016), clever companies make it possible for the customers to express their dissatisfaction. Research has shown that companies which enable their customers to express dissatisfaction maintain 10 % more regular customers than the companies which do not provide such possibility (HairProf, 2012). Research has also shown that more than "96 % of unhappy customers never complain to the organization and for every complaint received there will be another 26 customers with problems – at least six of these will be serious" (Vanagas, 2004). R.T. Rust, B. Subramanian and M. Wells (1992) found that companies solve 70 % of their problems but 30 % remain unsolved. Such customers usually do not return to the company. 63 % of unhappy customers never use company's services again (Michelson Jr., 2003). Correspondingly business starts to "die". Different countries and businesses seek customer satisfaction by more and more frequently changed and improved models while looking for optimal variants that would as little as possible restrain their business development. With regard to that, a method of complaint management is proposed to awaken businesses which are not capable of satisfying consumer needs.

S. Rothenberger, D. Grewal, G.R. Iyer (2008) maintain that complaints are both a challenge and an opportunity for companies because they reveal different actions. The first step in recovering lost customers is efficient complaint management. Second, the company should strive to improve so that in the future customers will have nothing to complain about. If a business is trying to maintain and attract customers it should regard complaints as a strategic tool, as a gift to the company which will enable them to satisfy the needs of even the most difficult customers and not as a revelation of mistakes made. Complaints are a feedback system able to help companies fast and, what is extremely important to every company at the moment, without entering into expenditure to change their product range, service style or commercial purpose and strategy. Recovering an efficient ability to cope with consumer

complaints is the best opportunity for numerous businesses to demonstrate the best they can really do for their customers. It is essential to remember to help consumers with working on their needs.

Scientific problem. Businesses often react to complaints in a negative way thus failing to encourage their employees to listen to customers' complaints which prevents companies from effectively attracting and maintaining customers. Scientific problem is formulated by rising a question: What should be the conceptual model of complaint management?

Object of research: complaint management.
Aim of research: to build a conceptual model of complaint management.
Objectives of the research:
1. To perform analysis of conceptual approaches to complaint management and to present classification of complaints.
2. To reveal theoretical provisions that define methods of forming complaint management to awaken businesses that fail to satisfy customers' needs.
3. To build a conceptual model of complaint management based on the results of theoretical analysis.

II. Research Methodology

Methodologically, the research is based on the analysis of scientific sources. *The Method of Literature Analysis* is applied when analysing the core of complaint management conception and methods of complaint management. Analysing the compilation of scientific literature makes it possible to reveal aspects, essence and topicality of complaint management conception accentuating its application to turn complaints into a positive outcome for the company. D. Tankevičiūtė (2016) maintains that complaint management makes it possible for the company to increase customer satisfaction rates since every case (i.e. a telephone conversation with a customer) it provides opportunities to understand what causes the problems the customer is facing (i.e. computer faults) and to tackle them in time. Analysis of theoretical material will allow to build a theoretically based conceptual model of complaint management and to determine how a conducted scientific study is different from actual work and what knowledge could be obtained from the conceptual model of complaint management.

Comparative method is applied under theoretical approach where to unravel the essence of complaint management conception opinions of different theorists are compared, later summarised and a conceptual model of complaint management based on theoretical insights is presented. Speaking about theoretical material used in this article, authors J. Barlow, K. Moller (2007) and S. Rothenberger, D. Grewal and G.R. Iyer (2008) should be singled out because their works served as primary material and allowed to justify logical purposefulness of the topic chosen.

Logical abstraction method means *using one's thoughts to isolate important qualities or parts of an object from the whole.* Logical abstraction method was used to summarise and to provide final conclusions of this article.

Thus, theoretical analysis, comparison and logical abstraction are suitable to build a theory based conceptual model.

III. The Essence of Complaint Management Conception and Its Topicality

The word "complaint" derives from a Latin verb "plangere", whose primary meaning is "hit" (metaphorically "to hit someone in the chest"). Nowadays it stands for pain, unpleasantness, annoyance as well as disease or illness and in juridical terms it means official accusation. In English "to complain" may mean "to harass, annoy, moan, find fault, attack, make one suffer, accuse, lament and so on" (Barlow, Moller, 2007). The Dictionary of the Modern Lithuanian (2015) defines complaint as "expressing dissatisfaction, lamenting; denouncing someone to someone else; legal request to remedy injustice, illegality, appeal". Chapter 2 of the Public Administration Law of the Lithuanian Republic (1999) defines complaint as the person's written appeal to the public administrative entity to indicate that their rights or legitimate interests have been violated asking to defend them.

In the opinion of R. Rekašiūtė – Balsienė (2002), a precise definition of complaint is not necessary. The understanding could range from any problem reported by the customer to a formal complaint. If a client's problem is handled properly, it does not usually come to a formal complaint. Researchers M. J. Bitner, B.H. Booms and M.S. Tetreault (1990) indicate that both internal (employees) and external (buyers) customers have different requirements and opinion about how complaints should be dealt with, how they need to be accepted, what apologies should be given and how inconvenience should be compensated for (Johnston and Mehra, 2002). R. Johnston, S. Mehra (2002) point out that although companies understand perfectly well how important customer complaints are, most clients are unhappy with the way the problems are reacted to or handled.

It comes to no surprise that nobody likes complaints. On the other hand, it is a way for clients to advise enterprises how to run their firm or organization. For this reason this article uses a metaphor by J. Barlow and K. Moller (2007) that "a complaint is a gift to the company". J. Barlow and K. Moller (2007) propose that in order to transform complaints into a gift, enterprises should totally change their management strategies as well as provisions and approaches to complaints in the context of modern business relations. To do this, pure information should be separated from feeling one gets after being accused which in turn reflects emotional perceptions of a disillusioned man and encourages to reconsider how complaints help achieve one's goals in the business environment. Thus, listening to customer's complaints becomes one of the cheapest and best ways to learn what the customer wants, what his expectations are while one of the most reliable techniques to improve personal relationships is to pay attention when somebody is upset for our fault and react accordingly with the aim to resolve the conflict. Truly to make complain as a gift to the company its main reasons should be determined. Most companies do not react to complaints at all instead of using free information they contain to improve the quality of work. Other companies do not use complaints and they remain in complaint management centres. Still other companies see complaints as criticism which helps company to move forward by improving its services and products.

A complaint is applicant's written appeal to the company stating the infringement of his personal rights or legitimate interests in connection with services provided by the company or agreements made requiring to meet the applicants (Finasta, 2016). S. Rothenberger, D. Grewal, G.R. Iyer (2008) maintain that complaints are both a challenge and an opportunity for companies because they reveal different actions. The first step in recovering lost customers is efficient complaint management. Second, the company should

strive to improve so that in the future customers will have nothing to complain about. A complaint is a customer's appeal about confounded expectations (Webb, 1992). Authors J. Barlow and K. Moller (2007) analysed complaint in terms of the conception of a feedback system able to help companies fast and without entering into expenditure to change their production lines, service manner and/or encourage trading business to concentrate on customer needs. It is time companies started to think of complaint analysis as a strategic tool to learn what they do not know about their products and services provided. It is time to reject the view that a complaint is something that causes inconvenience or requires expense; it is time to see a complaint as an asset in the market. J. Barlow and K. Moller (2007) define customer complaints as one of the most accessible and still untapped sources of information in the consumer market. In general, it can serve as the basis for the plan to recover good company's name and service quality and a really enormous gift. Thus, a customer complaint is an important fact which may indicate that there is a systemic problem in the market.

The main marketing task is not only to get accustomed to making clients act in accordance with business rules but also plan and then adjust the business to client's interests. For this reason, companies should observe clients and listen to them as this will allow the company to cut down on the expenses for each of them. As McLuhan pointed out, a complaint could be a means to build clients' loyalty to the company and the brand. Clients could slaver and whine for no apparent reason, but what they want to tell us is vitally important to any line of business (Hall, 1997). In general, the client has recently become the main object of discussion, or to put it the other way, the customer is placed on the top of organisation's hierarchical system. Thus, customer complaints are one of the main ways to have direct contact with the purchaser. For this reason, authors of this article believe that instead of yielding to a tempting decision to lessen the number of complaints, organisations should consider learning how to deal with them. It is with the complaints that customers simply and effectively let companies know that there is something to strive for. If companies accept complaints as a gift they open up entirely new opportunities for themselves to communicate with customers and get profit for both of them.

According to the opinions of S. Rothenberger, D. Grewal, G.R. Iyer (2008), the possibility to recover and maintain the customer depends on the company's ability to deal with their complaints. This is why an efficient system of complaint management is essential; besides, it should be easily comprehensible and easily accessible. R. Johnston, S. Mehra, (2002) point out that good complaint management has ten characteristics which they have arranged into 4 large groups. The first group of good complaint management includes situations when organization reacts quickly, listens to complaints and resolves them fast. The second group of good complaint management includes companies that apply simple and comprehensible procedures to manage complaints.

Complaint management procedures should be easily understandable both to clients and to the employees of the organization. Dissatisfied customers should clearly understand how to file the complaint and employees need to know who to accept those complaints. The third group of good complaint management includes situations where complaint is managed with a simple process. Every client should be entitled to the opportunity to file a complaint with one simple contact and the staff should be trained to resolve a certain complaint without running to their superior every time the problem arises. What is more, the solution of the complaint should be presented quickly and if this is not possible, the client should be updated on the progress of complaint resolution. The fourth group of good complaint management includes companies that do not put resolved complaints aside but inquire if the customer is

truly happy with the way their complained was resolved. This implies systematic tracking. Companies should register complaints and later carry out surveys to observe if there is a decrease, increase or stability in the number of resolved complaints. Thus, good complaint management will not only return the client to the company but also provide it with positive guidelines for personnel's work and productivity (Johnston and Mehra, 2002).

In their research on enterprise management, R. Johnston, S. Mehra, (2002), determined and presented 12 important observations how leadership companies resolve complaint management:

1. A quick response is essential if customer satisfaction is aimed at.
2. Customers should be encouraged to complain. For example, in visible palaces sheets of paper could be placed which would be used by customers to write their complaints. Also, the complaining procedure itself should be as simple as possible; this encourages clients to complain as they do not waste their time.
3. A strategy "No One to Blame" should be adopted. Neither employees nor producers should be blamed for mistakes. Mistakes are not only unavoidable but also indispensable so that the company could improve.
4. It is vital not only to make sure that a complaint has been truly resolved but also check if the customer is really happy with the way the complaint was received and resolved.
5. Complaint management should not only involve executives on the lowest level but also company's top executives. Top executives should be accessible to any client who is willing to file a complaint and executives should be interested in what complaints reach the organization.
6. Complaints should be regarded as strategic tool because complaints received in a direct way can be directly used for company's improvement.
7. Companies should adopt both centralised and decentralised complaint management and the combination of the two. If enterprises have branches which receive and manage complaints, reports about complaint solution should reach the company's headquarters. If a branch was unable to deal with the complaint, it should be handled by the executives in the headquarters.
8. Because of complaints companies must concentrate on communication with clients and company's improvement.
9. Staff should be trained to deal with complaints. Staff is the bridge between executives and clients as they are closest to the problems that have arisen and can see most clearly how those problems are being solved. For this reason, when resolving complaints staff members should also be included into the process.
10. Customer satisfaction surveys should be constantly carried out. This way it is possible to find out the percentage of most frequently dissatisfied customers, later compare the results of surveys and observe how the proportion of dissatisfied customers changes.
11. Complaints can be used as tools to know about oneself and one's position in the market.
12. The cost of complaint to the organization should be calculated and it should be established if it is beneficial. All expenses, be it financial, personnel or time, should be included into this calculation. It is clear that complaint management is expensive; nevertheless, analysis is necessary for the organization to be able to plan its expenditure correctly. A prompt response to complaints allows organization to reduce the cost of complaint management.

It is clear that in order to handle complaints properly and so encourage their customers to return enterprises should pay close attention to the observations of the authors. This highlights another problem in complaint management. Often clients leave without expressing their dissatisfaction to the company. To make sure clients' complaints reach the company and not its competitors the company should handle customers' expectations with extreme care starting with how such expectations are formed in the beginning of the trading process. If the buyer thinks that in general the goods he has purchased are of high quality and that if the trouble still arises, it will be resolved quickly and fairly, he is less likely to leave the company. Instead, he will be ready to cooperate to restore his satisfaction.

Another extremity is represented by cases when companies do not put any effort into listening to and resolving customer complaints (Rothenberger et al., 2008). When customers are unhappy with a product or service delivered, they have two alternatives: to speak or to stay silent. For this reason, many authors (Barlow and Moller, 2007; Rekašiūtė – Balsienė, 2002) classify complaints into two groups: spoken and unspoken complaints. In fact, when customers do not voice their complaints such situation does not give company a chance to fix the problem and improve it. According to J. Barlow and K. Moller (2007), every fourth buyer is unhappy with their purchase, yet only one in ten will be bothered to file a complaint.

Many clients regard complaining as a waste of time and unnecessary fuss. They are more likely to remain silent if there are problems not with the product but with the service they received. Most clients either are not aware of how to complain correctly or do not see a benefit of it. What is more, it involves additional costs (fuel, phone bill, etc.). People are believed to be more likely to speak to others about their disappointment rather than about their good experiences.

J. Barlow, K. Moller (2007) believes that customers feel happy if their complaint is effective and listen to. Then they feel like they have influence: being dissatisfied they decided to speak up and defend themselves. Thus, company owners should take clients' complaints into serious consideration and, in turn, offer one of possible solutions: reduce the price, give presents or vouchers for another purchase; with regard to clients complains make sure that certain changes take place in the company and such misunderstanding is never to repeat again. As R. Johnston, S. Mehra, (2002) point out, companies should not only regard complaints as a gift, but also be able to respond to them quickly. Client acquisition could depend on the fact how quickly or how well responses are written. Good responses cannot be written by just anyone – it is a sort of art. If the response does not make the customer happy or if the tone of the response is harsh, it will only make customer's negative feelings stronger.

Also, response should be given as soon as possible. It might not be possible for the company to take up action to solve the problem immediately, but the customer should be written to with information as to when his problem will be solved. Responding to a customer's complaint makes it possible for the company to re-establish client's benevolence or to make him digress once more. R.T. Rust, B. Subramanian, M. Wells (1992) believe that the value of complaint management depends on the number of customers maintained plus the value of satisfied customers who recommend it to other customers.
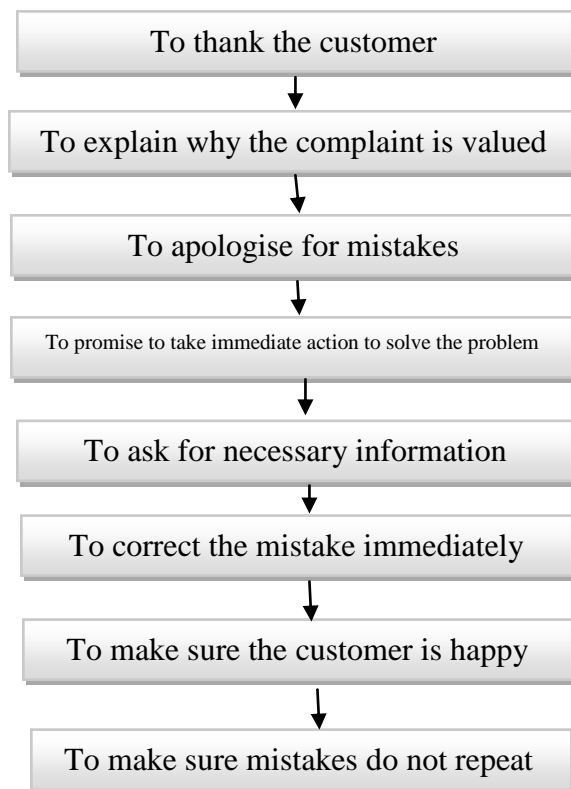
In summary, it is obvious why at first sight complaints do not imply anything good. In psychological terms, a complaint is a negative phenomenon and, to put it simply, it is a phenomenon related to accusation. The client expresses what considers unacceptable. Who wants to hear that? It is understood that only those companies that regard a complaint as a

gift want to hear it. Such businesses understand that a customer should always have a right to complain even if their complaints main seem silly, unfounded and only causes trouble to the company.

IV. Methods of Complaint Management

Common talk about complaints reflects our view on them. If we want to regard complaints as a gift, we need to talk about them as gifts and be able to manage them. How can we do it? According to J. Barlow and K. Moller (2007), companies should begin by adjusting their communication to reflect their attitude to a complaint as a gift. Such understanding should be fostered by each encounter, conversation or seminar on customer service. Secondly, company's strategy, its system of compensation, objectives, attitudes, values and managerial activities should correspond with gift favourable conception. Finally, organisations should learn several essential methods how to receive complaints. This could be done with the help of "Gift Formula", an eightfold reaction to client complaints. Put in practice, this method can become a company's second nature. "Gift Formula" is a gradual process due to its optimal form implemented in a certain order. It teaches how to deal with disillusioned customers. J. Barlow and K. Moller (2007) present such sequence of this process (Figure 1).

Figure 1. Sequence of the process "Gift Formula"

To thank the customer

↓

To explain why the complaint is valued

↓

To apologise for mistakes

↓

To promise to take immediate action to solve the problem

↓

To ask for necessary information

↓

To correct the mistake immediately

↓

To make sure the customer is happy

↓

To make sure mistakes do not repeat

Source: J. Barlow and K. Moller (2007)

To thank. J. Barlow and K. Moller (2007) point out that it is unnecessary to ponder if there is ground for a client's complaint. Complaint should be considered valuable information regardless. According to the authors, it is important to create a direct connection with clients and communicate with them in accordance with their position. According to the National Consumer Confederation (2015), there is no better way to make someone feel accepted as being thanked. Company's thanks should be sincere and spontaneous. On the

other hand, although a single thank is not enough to solve the problem, still Barlow and K. Moller (2007) maintain it is a basis for further positive conversation. If company's response is limited to only thanking for the complaint, still the customer will be a little pleased, unless he addressed the company with the problem that had to be solved fundamentally. Without a doubt, in such cases clients expect a specific response to their complaint.

To explain why the complaint is valued. National Consumer Confederation (2015) points out that "thank you" may sound empty- it needs to be based on words explaining that listening to the complaint will give the company an opportunity to deal with the problem since a large part of customers leave the company without saying anything. As it was mentioned before, 96% of unhappy customers never complain to the organization (Vanagas 2004). Such people tell damaging things about the company to others without giving the company a chance to listen to their dissatisfaction and to solve the problem (National Consumer Confederation, 2015). Thus, if a company takes complaints seriously, customers will start taking them seriously too. This is the reason why the company needs to make it clear to the customer why they value his complaints and why he had to spend his time to come and file a complaint.

To apologise for the mistake. J. Barlow and K. Moller (2007) point out that it is important to apologise to the customer, but the conversation should not begin with the apology. Thanking the customer first and only then apologising will create a much deeper connection. The authors are sure that thanking the customer in the beginning of the conversation makes both the speaker and the listener acknowledge the viewpoint that a complaint is a gift. This is a logical method encouraging the buyer to speak. When a person hears "thank you", they automatically get a feeling that the thanking person is ready to do something for them. A phrase "I am sorry" gives an impression that nothing will probably be done. The company simply apologises and hopes that the client will value their concern.

Two groups of people are believed to find it most difficult to say they are sorry: those who do not feel self-confident and those who should start each confession with the sin called false pride. The reason for them feeling this way is the fact that they are too immersed into their individual emotions and do not think about other people very much. However, apologising is not only words. Acknowledging one's mistakes or unrighteousness has huge emotional benefits: the hurt side deals with anger more easily and the guilty side accepts their fault with less effort too (15 min, 2015).

To promise to take immediate action to solve the problem. National Consumer Confederation (2015) points out that after apologising the client should not be immediately asked any questions. After an apology, it should be promised to correct the situation as promptly as possible. Recovery of a service breakdown includes two main aspects: psychological and material. On the psychological level, a psychological state of a person induced by the dissatisfactory situation is sought to be improved. On a material level, the situation itself is sought to be improved; however, this process requires time and money. The first four steps of "Gift Formula" are psychological; they do not cost anything and are easy to implement. The following steps are on the material level and they require certain things from customers (Barlow, Moller, 2007).

To ask for necessary information. The customer needs to be asked only what is really necessary. That is why it is essential to know from the start what kind of information will be required so that the customers could be helped. This should become a part of

complaint management system. Sometimes it is this stage that reveals what the customers are really worried about. They might complain about one thing thinking that it describes their problem most accurately, but after giving them additional questions it might turn out that their problem is different or much deeper. Also, the company needs to enquire what the customers might need to have their expectations satisfied. Or they should ask if a certain action in connection with their problem would suit the customer (National Consumer Confederation, 2015).

To correct the mistake immediately J. Barlow and K. Moller (2007*)* emphasise that companies need to do everything they promised the customer. Authors believe that customers value company's immediate reaction. A prompt response demonstrates that the company is serious about correcting its mistakes.

To make sure the client is happy. Go on working; it is a good opportunity to tell the client what action has been taken that similar problems do not reappear in the future (Barlow, Moller, 2007). Later, as J. Barlow and K. Moller (2007) point out, it is vital to ask the customer if company's actions have left him satisfied. If it is so, then thank them again for their complaint; you are now partners. If not, ask them what else dissatisfies them.

To make sure mistakes are not repeated in the future. To avoid similar problems in the future, it is important to let the whole company know about the nature of complaint. Correct the situation but without immediately blaming the staff. The staff will be more likely to pass complaints on to their superiors if they know that the company follows the above mentioned strategy in the fields of complaint management (Barlow, Moller, 2007).

The fact that customers are more likely to express positive things about the company when their troubles have been properly solved is best described by a psychological term called the principle of reversibility. If people experience good, they tend to pay with the same coin. As it is pointed out by R. B. Cialdini (2016), an amazing aspect of reversibility rule and commitment is the fact that such phenomena are so wide-spread that sociologist A. Gouldner stated that there is no such society where this rule is not observed. Every community has some form of exchange. This human habit to give thanks, which arises from the rule of reversibility, could be a unique trait of human culture. A famous archaeologist Richard Leakey believes the system of reversibility separates us from animals and explains it this way: „We are human because our ancestors learned to share their food and their skills in an honoured network of obligation". L. Tiger and R. Fox, specialists in Cultural Anthropology, understand this network of gratitude as a unique adaptive human mechanism, allowing people to share work, exchange various goods and services (and distinguish themselves as specialists in their field) and to create interdependence between humans which brings them together into highly productive working groups" (Cialdini, 2016). So if companies apply this customer behaviour changing principle, they would obtain the following result: if you do something good to your customer, he will be more likely entrust his business to the company and tell others how wonderful the company is (Barlow and Moller, 2007).

R.T. Rust, B. Subramanian and M. Wells (1992) present a method how to make complaints useful to companies. Authors present a graphic model of problem solving (Figure 2).

Figure 2. The tree of complaint problem solving
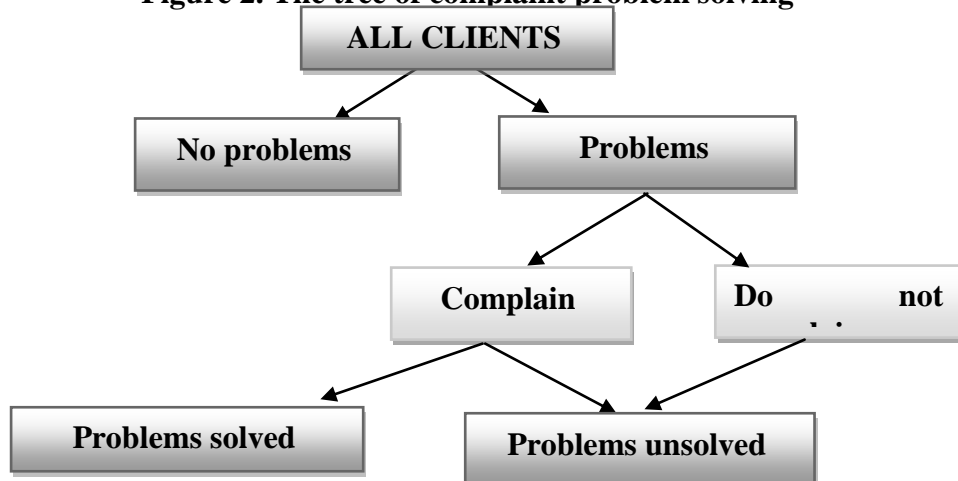
Source: R.T. Rust, B. Subramanian , M. Wells (1992).

The tree of complaint problem solving is a simple method allowing revealing, presenting and depicting the main elements of complaint management. To make complaints useful, first of companies should classify their customers as having problems and not having problems. It is clear that customers most often return to places where their requirements are fully met. Secondly, if customers have problems, companies need to find out whether customers complain or not. According to R.T. Rust, B. Subramanian and M. Wells (1992), usually complaints are received from 50 % of unsatisfied customers, yet another 50 % do not complain. Those who are the most dissatisfied do not usually bother to voice their complaints which poses a great danger to companies because without customers reporting their problems they are deprived of the possibility to improve Thirdly, companies should find out the number of complaints resoled and unresolved. Thus, the tree of complaint problem solving shows main points (problems) to be considered for the company to be able to improve their services and maintain customers in the company. By using this method, customers can see the percentage of customers that do not report their problems and take steps to reduce this number. To reduce the number of non-complaining customers, customers should be encouraged to speak up. For this reason, cards could be placed everywhere for the customer to be able to write their complaints down; it is also possible to ask the customers verbally if they are satisfied with the service and so on.

One of the ways for the organisation to find out how well they manage complaints is the matrix of possibilities which is numbered 1 to 4. The scheme of this matrix of possibilities is presented in Figure 3. According to the Figure presented, companies belonging to the first group should be cheered. At first sight, everything is fine, because form the company's perspective everything is going on smoothly and lack of complaints from the customers seemingly proves this belief. However, in reality those companies do not know how many satisfied/unsatisfied customers they have, because nothing has been said. This could prove to be a grave mistake and the first group could be smaller than it seems. According to R. Rekašiūtė – Balsienė (2002), no complaining customers does not mean unsatisfied customers. 96 % of unsatisfied customers do not complain to you. They complain to someone else. Most of unsatisfied customer's friends, co-workers and acquaintances learn about what bad service this customer received (you could only dream about customers telling so widely about your good service). The situation presented in the second group requires customers to be mildly educated. Sometimes customers complain about misunderstandings

that are not company's fault. Still, even in those cases when clients are not right, they are still your clients- they have invested their money and it entitles them to saying something if they are unhappy.

Figure 3. Matrix of possibilities

No trouble with the product or service delivered. Clients do not complain. Company's reaction: this should be celebrated.	No trouble with the product or service delivered. Client speaks up. Company's reaction: clients should be educated.
1	**2**
3	**4**
Breakdown of product or service. Buyers stay silent about this. Company's reaction: encourage buyers to speak up.	Breakdown of product or service. Buyer is unhappy and reports it. Company's reaction: improve the quality of product or service

Source: J. Barlow, K. Moller (2007)

From a company's perspective, it is a good idea to still regard those customers as right, because it gives the company a chance to learn from them and by correctly managing their complaints restore their faith in the company. By taking responsibility for what has happened – at least apologising – we show that we care about our customers. In this case companies should take initiative and educate their clients so that incidents like that are not repeated.

The third group contains the greatest problem companies' face – clients that choose to stay silent about their dissatisfaction. Very often in such cases companies choose to believe that there is nothing wrong with their products or services. In the opinion of K. V. Rondeau (1994), this is the main reason of companies' silent collapse. The forth group shows companies where customers report their problems. This requires good company's skills. Here contact with customers is maintained by communicating as much as possible, accepting information which creates endless possibilities for improvement. If the company can solve the problem, accepts responsibility for trouble and deals with customers politely, they will willingly give it the second chance and collaborate in improving the quality of their services/products. Clients whose problems have been solved successfully will probably become loyal to that company. Clients whose problems have been successfully solved become even more loyal than those who never had any problems (Rekašiūtė – Balsienė, 2002).

As it can be seen from the picture presented below, feedback from the customers is beneficial in all four groups and this is the reason why companies should make it clear to their customers that any feedback form is welcome. Without a doubt, it is best to do everything perfectly from the beginning. Still, there are times when something goes wrong. Something unexpected happens and in those cases, it is essential to have a good customer dissatisfaction and complaint management system. Such system usually has a strong positive impact on clients.

To sum up, all the methods of building complaint management are useful and necessary to the companies which strive to satisfy their customers' needs and aim for customer satisfaction by managing complaints. Thus, above presented methods of building complaint management try to awaken businesses which are not capable of satisfying customers' needs.

V. Conceptual Model of Complaint Management

Client complaints are hidden possibilities of business improvement so they should be properly valued and used. For this reason, a company should create a conceptual model (process) of complain management (see Figure 4). As it can be seen from the figure presented below, conceptual model of complaint management comprises to main situations. The first situation is when clients do not have problems and feel satisfied. The second situation is more complicated as clients have problems. In this case, clients are given an opportunity to use telephone, fax, e-mail etc. to complain.

Certainly, there will be those who will complain. But there will also be customers who won't and will remain dissatisfied. Such customers will hardly return to the company unless they are loyal and will forgive the company for certain mistakes made. Those customers who will complain and have their problems solved by changing or not changing business processes will remain satisfied and hopefully will return to the company.

Still, it is possible that after the clients have complained to the company, their problems will stay unsolved. Such clients will definitely remain dissatisfied and, if they are not loyal, they will most likely leave the company for its competitors. In the opinion of L. Šaulinskas and R. Tilvytienė (2013), it is desirable to register, manage and compile customer complaints and all their investigation-related information in a centralised way.

Therefore, a complaint database is to be used to register all complaints. A person or a department should be appointed to be responsible for this process to make sure that:

- client complaints are investigated and responded to in good time;
- reasons of complaints are determined;
- changes or improvements in business activity initialised (if necessary).

Figure 4. Conceptual model of complaint management
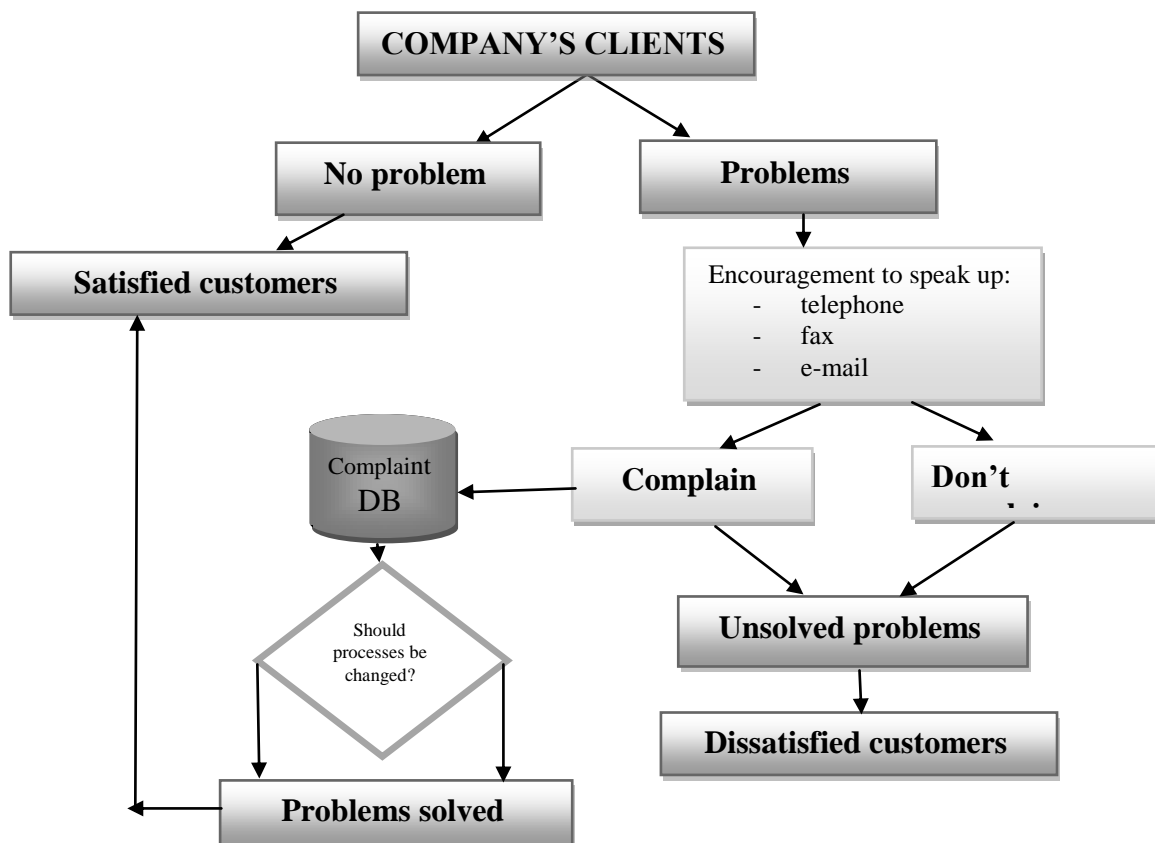
Hopefully, efficient complaint clearing increases customer attachment to the company and helps to maintain them.

VI. Findings and Conclusions

Most frequently the word *complaint* is associated with negative meanings: annoyance, pain, accusation. However, this article shares the opinion that a complaint is a gift to the company which can help them promptly and without entering into expenditure change the line of production, manner of delivering service and/or encourages business to concentrate on client needs. In general, as customer needs increase, companies should start regarding complaint analysis as a strategic tool to become aware of aspects of their products and service provided still unknown to them; and understand that customer complaints are not merely inconveniences but a big asset in the market.

To make a complaint into a gift, company needs to put an efficient system of complaint management in place. To achieve this, methods of building complaint management are to be trusted because they not only teach how to deal with disillusioned customers, but also instruct on how to make complaints useful to the company.

Customer complaints are one of the most accessible and still untapped opportunities to get closer to the customers. For this reason, the model of customer complaint management which would comprise processes of complaint reception, handling and providing response to customers and use of data obtained as valuable information to satisfy clients' needs is provided.

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The Style and Role Incompatibility – A Leadership Challenge

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Abstract

The case study narrates about a manager's leadership style in a B2B organization. The aggressive approach of a manager towards his reporting executives had created a non-conducive work climate resulting in his subordinates' resignations and poor sales. The case study also recounts the situation faced by a newly joined executive's struggle with his manager. The manager was oblivious of the dysfunctional outcome caused by his retribution as a tool to push his executive to achieve the targets. He was unaware of how his style which was productive in a particular role had become disruptive while performing another that needed a different set of attributes. The case study could be discussed to understand the leadership which becomes turbulent and helpless due to lack of self-awareness about its approach and the outcome. The case study could also be discussed from the point of helping or coaching a leader who had become victim of his/her own style.

Key words: Leadership, Managers, Style, Organization,

I. Introduction: About the Milo India Pvt Ltd

The Milo India was an office automation solutions provider with a headquarter in Chennai, South India. It had branches spread across various part of India. The company provided office automations and space management solutions such as document managements, drawing and presentation products, cubicles, separators, and office furniture and storage solutions. In the southern region, Milo had branches in four major metros namely Bangalore, Chennai, Cochin and Hyderabad.

The company primarily had two portfolios of business, first one was the banking automation business and second was the Interior solutions. Though both the businesses were project management types, the banking automation business was secured through open tenders and being enlisted in the panel of contractors. The Interior solution managed its business by lead generations through cold calls and conversions of enquiries from interior designers and architects. The banking automation was the earliest venture of Milo India in the year 1999 and the interior solution was started, successively, in the year 2006. Since the banking automation business had a long-standing operation in the market, the business had a well-networked client base.

II. The Case Background

About the Branch

The branch did well in the banking automation business and in the beginning, it was treated as bread winner of the branch. Later, with the prospering growth in the real estate sector, Interior solutions' business team began to show promising performance by steadily meeting the targets. With regional unorganized players in the market, the Milo was able to build the image of trust and quality resulting in patronage from its customers.

The Chennai market was managed by two product managers, Senthil (Interior solutions) and Jerry (Banking Automation) under a branch head, Rakesh. A16-member sales force team was reporting to them. The banking automation had a team of nine members and interior solutions had a team of seven members. Among the seven members, except for Amir, everyone had a prior work experience. Amir was recruited through a campus placement from an engineering institute. Rest of the executives were recruited at various point of time in the organization. After six years of stint with Milo, Senthil left for a new opportunity and his vacancy was replaced by Krishnan who was an area manager in the banking automation business in the same branch.

III. About Amir

Amir, from northern part of India, was a fresh engineering graduate who did his under graduation from a Chennai based engineering college. While his classmates preferred software jobs, he was focussed to build his career in a B2B sales domain and therefore took up the offer from the Milo in 2014. Though Amir was happy about the appointment, he preferred to work in any metros other than Chennai. He had an impression that Chennai was a peculiar sales territory in which non-Tamil speaking persons would find difficult to work. As the Interior solution business needs extensive travelling and personal selling, Amir felt that his language barriers to communicate in the local language would be a hindrance. During his interview, the HR executive had assured that he would be transferred, however, until then he was advised to learn the product and customer segments. Nevertheless, Amir accepted the offer carrying an apprehension. Since Amir was a fresher for the organization, unlike his senior team colleagues, he did not find initial performance pressure. His initial period was treated as learning and market acclimatization period. Yet, he sought assistance from his colleagues to accompany him in meeting customers.

IV. About Krishnan

Immediately after his graduation, Krishnan joined Milo in the year 1999. His first stint was in Banking Solutions business as a marketing executive in which he showed a good performance. Within a span of 4 years, giving credence to his steady track record, he was promoted as an area manager – consumables[1]products. The consumable business was a part of banking automation which managed distribution network for the consumable products. Krishnan showed appreciable performance in the consumables products' sales.

As an individual, Krishnan was known to be competitive and always sought recognition and rewards. He believed that only way to achieve recognition was to be aggressive in performance. As a result of his consistent performance, he became a favourite for senior managers. He used his relationship with them to gain special offers, deals and extended credit payment dates to his dealers. This privileged treatment did not go unnoticed by his peers who had felt they were side-tracked by the managers. It was not uncommon to notice frequent conflicts during sales review meetings.

Krishnan developed a habit of showing preferential treatment to a few of his sales executives and humiliating the non-performers. He believed that creating conflicts and competition would lead to individual performances. This attitude was not appreciated by

peers and treated as unprofessional. Sales executives who were working for Krishnan felt that he is following a divide and rule policy. However since he was a top performer, management often overlooked his attitude.

V. THE PROBLEM - CLASH OF STYLE WITH THE NEW ROLE

In the year 2012, when Senthil, the product head of Interior Solutions left Milo for a new opportunity, Krishnan was appointed for the position of Product head- as recognition for his performance in consumable division. After Krishnan took over the position from Senthil, he began to have a sense that whatever the business that team were able to achieve were just a small pie in of market. He began with a sales meeting to double everyone's target.   His executives were surprised by this move and felt that he had not given them a chance to brief him about the market. He followed his earlier style of showing preferential treatment to a few by giving them high order leads. He developed his cliques within his team who used to accompany him for a weekend dinner which, mostly, became an informal market discussion meeting.

The Interior business needed coordination with team members, sharing of knowledge and resources. It involved more of team work and needs set of competency different from that of selling consumables. Krishnan's aggressive style did not match the existing way of working in the Interior solution division. The executives who were polished and professional in their approach found Krishnan's forceful style as challenging. His style of showing preferential treatment to a couple of executives and undermining rest led to demotivation.

Rakesh, the branch head, observed Krishnan's style of handling the team and felt that he was creating more damage than doing benefit to the business. This division witnessed frequent conflict between them and consequently, interior solution business begun facing slow growth. The executives begun to experience low morale and started working in mistrust. In between, two executives left the company due to a conflict with Krishnan. Krishnan's peers who came to aware of the growing discomfort in the division felt that his style could damage the team and division's growth in the market. They felt that, instead of building the team and making them work together, Krishnan had created a rift among the performing members. They felt that it can force the executives to join the competitors and take their customers along with them.

Meanwhile, Krishnan perceived Amir's appointment in Interior business with a new hope and felt that he could groom him. Krishnan started giving special treatment to Amir and also felt it was important to create insecurity in the mind of other executives. He perceived that the threat would drive other executives to work harder and chase for the business than ever before. He also provided indirect hints that Amir could be allotted any one of their market areas if their performance remains inconsistent.

Amir who was in his learning period felt that he could learn more about the product and market from his colleagues. Conversely, Krishnan's effort in creating the rift, caused unpleasant relationship between Amir and rest of his team mates. Executives hesitated to accompany Amir for the client visits and was reluctant to share market and product knowledge when needed. All these issues along with inability to converse in local language made Amir insecure and found himself helpless.

Sooner, Amir became aware of the subtle interpersonal issues between him and rest of his colleagues. He felt the only solution was to seek a transfer under the pretext of his inability to converse in the local language. Krishnan ignored his request and tried convincing him that in due course of time, he will get familiar with local language. Sensing a seclusion from his team mates, Amir slowly started losing his interest and he even made a decision to search for a new job. During a training program, Amir had an opportunity to meet Arun, the HR-Vice president and share his grievances. He even mentioned about his thought of quitting the company, if he cannot be transferred to some other locations. Arun patiently listened and promised him that necessary steps would be taken to transfer Amir to a new location. While leaving, Arun gave a hint that Amir might be transferred to Hyderabad branch.

VI. The Outcome

In a month, Krishnan received a mail from Arun that carried a transfer order to relieve Amir in two months. Krishnan was surprised by the transfer order and believed that he could have been consulted prior to this decision. He sensed that he was overlooked and insulted. He thought that he should have been communicated as Amir was his reporting executive and was very furious with Arun and Amir. He decided to give Amir a tough time before he left for his new location. Krishnan knew that Amir cannot be relieved unless he clears all his commitments in the branch. Amir was supposed to complete all pending deliveries and collect outstanding payments from the customers. For the remaining two months, Krishnan humiliated Amir and made him to struggle for even simpler tasks. He channelled out all his frustrations on Amir and even went to an extent of verbally abusing in front of everyone at office for the simple errors. He even threatened him that he will do anything to delay his transfer. Amir stretched himself to work even during weekends to complete his commitments. Krishnan instructed his accounts office not to accept bill seven for simple errors. He also rated Amir's quarterly performance appraisal to a lowest with an extremely poor score. Amir understood that he needed to live through this phase which was worse than pre-transfer period.

VII. The Final Point

Rakesh, the branch manager, who was witnessing the above events happening in his branch was stressed to think of how an individual holding power becomes dysfunctional when his personality becomes incompatible to the role. He felt that Krishnan was an example of a performing manager who made an inappropriate growth choice inside the organization. When Rakesh examined Krishnan's elevation into a role in which he could not fit, it was evident that those resulting conflicts were default in nature. He realized that Krishnan, eventually, could become victim of his own behaviour. Krishnan was unaware of his aggressive behaviour was turning into abusive over his team. His inadequate emotional competency was creating an un conducive organizational climate.

VIII. The Case Discussion

The case could be discussed on the intrarole conflict which is primarily between the individual performing the role and her/his values, attitudes and behaviour. The incongruence

of Krishnan's attitudes, and managerial behaviour against his role could be a first line of analysis in this case study. The Krishnan's behaviour can be examined against his role requirement. If a person is assigned to do a task with inappropriate expertise and aptitude may experience a qualitative role overload (Rahim, M. A, 2010). Krishnan's assumption in the role could be an example of improper assignment. There should be a congruency between the manager's goal and role expectations against the task and role demand for accomplishing the individual and organizational goals. The adverse effects of intrarole conflict could result in attitudinal, behavioural and psychosomatic outcomes. It is important to note that the role conflict could also result in an emotional cost (Kahn et. Al, 1964) leading to high degree of job related tension and anxiety. Particularly, when the subordinates working under the managers who were experiencing intrarole conflict could face negative social support (Newton and Keenan, 1987).It is evident through incidents in the case that Krishnan's behaviour resembled negative social support towards Amir. If the locus of control (Rotter, 1966) could be examined in Krishnan's personality, it can be attributed to a low rate.

Making an assumption about the Krishnan's attributes such as aggressiveness, competitiveness, need for achievement and recognition, he appears to be of Type-A personality. A study by Glass(1977) suggests that the Type-A personalities have a strong need to exert authority over their environment. When they face events that are not under their control, they are bound to experience emotional and physiological strains. Any situation that provides lack of control on their job can cause strong reaction and psychological strain on Type- A personalities (Caplan, 1972, Caplan and Jones, 1975).

In the above case, Krishnan's behaviour through his strong reaction over Amir could be explained as an outcome of his intrarole conflict, personality type and psychological strain.

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Examining the Brand Image of the Product/service as a determinant to influence the customer preferences towards telecom services of BSNL

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Abstract

This study is aiming at examining the Brand Image of the Product/service as the determinant in influencing the customer preferences towards telecom services of BSNL, Coimbatore. A questionnaire was devised and circulated among the users of BSNL services at urban Coimbatore. Data obtained among 500 respondents who completed the questionnaire were analysed by employing correlation and multiple regression techniques. The results revealed that customer preference towards telecom services of BSNL was significantly influenced by 5 determinants to various degrees which are discussed in the paper in detail. The findings imply there is a need for the vendor to formulate suitable strategies to concentrate and attract right customers to make best use of their technology and resources. The paper rounds off with conclusions and an agenda for the improvement of services.

Keywords: Determinates; Strategies; effectiveness; Product; services; BSNL; Telecom

I.   Introduction

We know very well that the growth and development of a country is mainly dependent on the infrastructure possessed by it. The paramount contributors to a country's infrastructure developments are Power, Telecommunication, Transportation and Information Technology.

These are called lifelines of a country. In that the role of Telecom services has a significant impact on the socio economic development of any country. Customer preference is the primary function that induces the sale of any product or service and thereby the survival and further growth of the company is decided in a big way. Categorically speaking, the powerful tools and differentiators are the Quality of product/service and its Brand Image. Also the power of innovation and superior product line are very helpful in building loyal customer base. Thus in the current economic scenario one can achieve this purpose by just building a significant customer experience and satisfaction through a set of activities that would set their brand apart. This article/presentation aims at examining the factors of Brand Image of the Product/service as a determinant to influence the customer preference towards telecom services of BSNL. This paper is structured as follows: Section 2 presents the literature review in this study. Section 3 focuses on the rationale of the constructs used and deriving testable hypotheses and the research methodology. The next section presents the results and discussion. The paper rounds off with conclusions and an agenda for future research in this area.

II.   Literature Review

In the twenty first century, the need for marketing orientation is gaining momentum and the focus is on the needs of customers (Woodruffe, 1995). Businesses are keen on keeping customers in order to remain profitable over time (Shapiro et al., 1992).

Customer satisfaction is viewed as one of the crucial element in gaining competitive advantage (Kim & Kim, 2001). Among the many factors in keeping customers, service delivery is one of the main concerns. Customer service is considered as an important business activity (Rotfeld, 2001). Considerable research has focused on customer satisfaction from the aspect of customer behaviour or perception (Athanassopoulos et al., 2001; Davis & Heineke, 1998; Holmlund & Strandvik, 1999; McDougall & Levesque, 2000). In service management, perception is studied from two distinct aspects - customer's perception and CSP's perception. Research done on customer's point of view is basically focused on perceived service quality (Bebko, 2000; Davis & Heineke, 1998) and perceived value (Groth & Dye, 1999; McDougall & Levesque, 2000).

Customers on the other hand are those who come to the organization with expectations and needs to be fulfilled who perceive that they have some control over the transaction with the right to complain and make decisions (Gutek, 1995; Schneider & Bowen, 1995). The normal idea of who a customer is sees the person as one who purchases or is the current or potential receiver of a commodity or service (Brown, 1995; Gutek, 1995). Customers come in all shapes and sizes, all temperaments and moods (Chervonnaya, 2003; Payne, 1999).

Thus, it is neither possible to monitor, change or influence customers nor to fulfill all their expectations and needs (Heskett et al., 1990). As such, it is always easier for the organization to improve the quality of service by effectively managing the staff. A major function of research in consumer behaviour is to understand and predict behaviour (Ajzen & Fishbein, 1980). Many consumer researchers have borrowed and extended this basic theory (Ajzen & Fishbein, 1980; Martínez-Lopez et al., 2005; Peterson et al., 1986). The research framework and hypotheses were presented along with research methodology and results. Finally, we demonstrated the research findings, discussed implications and limitations, and suggested further research directions. Since there is no consensus on the Brand Image of the Product/service dimensions, it is necessary to examine the effectiveness of Product/service as a determinant to influence the customer preference towards telecom services of BSNL. These include Service Promotions, Advertising & Brand Image, Service outlet atmosphere, Reputations on Adjustments and My friends and the Service Provider. The research model with all theoretical constructs is shown in Figure 1, whereas the hypotheses among theoretical constructs are summarized in Table 1.

III.   Data and Methodology

Subjects

A questionnaire was prepared and data were collected from 500 users of BSNL services at Coimbatore urban area. The informants were chosen from areas were all types of users existed. The number of informants was decided and the informants in each user category were chosen by random sampling.

The definition of constructs in this study is shown in the following Table 1.
Table 1: Definition of Constructs in This Study

Construct	Definition
Brand Image	The impression in the consumers' mind of a brand's total personality (real and imaginary qualities and shortcomings). Brand image is developed over time through advertising campaigns with a consistent theme, and is authenticated through the consumers' direct experience.
Features of Product/Services(H_1)	A function of an item which is capable of gratifying a particular consumer need and is hence seen as a benefit of owning the item. In business, a product feature is one of the distinguishing characteristics of a product or service that helps boost its appeal to potential buyers, and might be used to formulate a product marketing strategy.
Service Promotions(H_2)	Generally, promotion is communicating with the public in an attempt to influence them toward buying ones products and/or services. Promotion is the broader, all inclusive term that includes all the ways available to make a product and/or service known to and purchased by customers and clients.
Service outlet atmosphere (H_3)	Department or subunit, sometimes involved directly in revenue generation, that provides supporting services to other (revenue generating) departments or subunits is called service outlet or support center. The special atmosphere or mood created by it, with particular environment and the effect that it has on people.
Reputations on Adjustments (H_4)	Activities performed by organization which attempt to maintain or create a certain frame of mind regarding themselves in the public eye. Reputation on adjustments is the process of identifying what other people are saying or feeling about ones business in relation with the prompt service, replacement of faulty goods, fairness in dealings, etc.
My friends and the Service Provider(H_5)	An individual who serves as the point of contact for the respondents/customers seeking to verify or ask questions about or patronizing a product or service based on his personal experience with the same. A friend may provide both professional and personal references to a potential customer for a product or a service.

Figure 1: Research Model
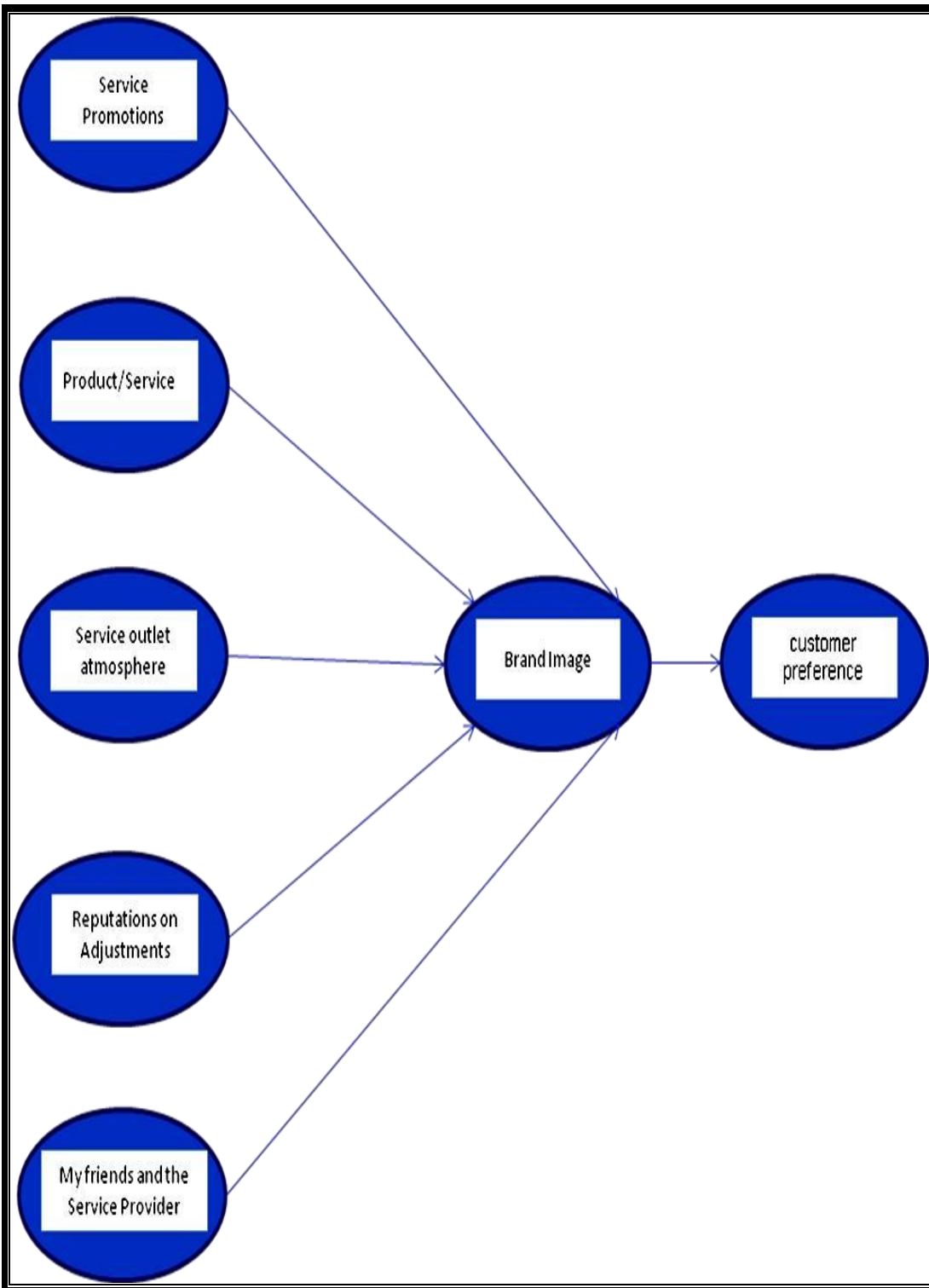
Source : Authors' construction

IV.   Analysis & Discussion

Table 2 summarizes the socio-demographic profile of the sample. In this distribution of 500 customers, 328 are male respondents constitutes 66%, 172 are Females constitutes 34% out of the whole lot.

Table 2: Socio-demographic Profile of Respondents

S.No	Demographic factor	Category Type	No. of informants	Percentage in total
1	Gender	a. Male	328	66%
		b. Female	172	34%
2	Age	a. 18 -30 Years	103	21%
		b. 30-45 Years	259	52%
		c. 45-60 Years	116	23%
		d. 60-75 Years	22	4%
3	Educational Qualification	a. UG	296	59%
		b. PG	151	30%
		c. M.Phil	39	8%
		d.Ph.D	14	3%
4	Marital Status	a. Married	268	54%
		b. Unmarried	213	42%
		c. Others	19	4%
5	Type of communication	a. Wired-Line Services	312	62%
		b. Wireless-Line Services	188	38%
6	Frequency of availing service	a. Everyday	54	11%
		b. Twice a week	95	19%
		c. Once in a week	107	21%
		d. Twice a month	113	23%
		e. Once in a month	131	26%
7	Type of BSNL service	a. Fixed Phone	142	28%
		b. Broad band	136	27%
		c. Mobile phone	188	38%
		d. Internet	34	7%

The Age wise distribution of informants reveals that 103 of them are between 18 to 30 years constituting 21%, 259 are between 30 to 45 years constituting 52%, 116 are between 45 to 60 years constituting 23%, and finally 22 are between 60 to 75 years constituting 4%.

Wherein the Educational Qualification reveals that 296 have done their UG constituting 59%, 151 have done their PG constituting 30%, 39 have done their M.Phil constituting 8%, 14 have done their Ph.D constituting 14%, out of the whole lot. Analysis of marital status reveals that 268 are married constituting 54%, 213 are unmarried constituting 42%, and the rest 19 are divorcees or widows, constituting 4%, out of the whole lot. In terms of type of communication owned by the respondents, 312 of them constituting 62% said they have wired line services and 188 of them who constitute 38% said to posses wireless line service.

The category wise distribution of informants based on frequency of availing BSNL services revealed that 54 of them who constitute 11% avail on daily basis, 95 of them constituting 19% avail twice a week, 107 of them constituting 21% avail once in a week, 113 of them constituting 23% avail twice a month and 131 of them constituting 26% avail once in a month. When examined the type of BSNL service possessed by the informants, it was said that 142 who constitute 28% use Fixed Phone services, 136 who constitute 27% use Broad band services, 188 who constitute 38% use Mobile phone services and 34 who constitute 7% use Internet services.

Reliability analysis

Cronbach's alpha is the most commonly used statistic for reporting test reliability based on item variances. The research instrument was tested for reliability using Cronbach's coefficient alpha estimate as shown in Table 3.

Table 3: Cronbach's Alpha Measurement

| Sr.No. | Factors | CRONBACH'S ALPHA MEASUREMENT | | |
	Names of Determinants	**Cronbach's Alpha**	**Cronbach's Alpha Based on Standardized Items**	**No. of Items**
1	**Advertising & Brand Image**	0.97926	0.97965	7
2	**Service Promotions**	0.782288351	0.751805442	3
3	**Effectiveness of Product/Services**	0.76537	0.77119	4
4	**Service outlet atmosphere**	0.96577847	0.965848888525	12
5	**Reputations on Adjustments**	0.999942829	0.999981406	3
6	**My friends and the Service Provider**	0.76789991	0.790802324	4

As per the above table 3, value of 0.70 or greater is deemed to be indicative of good scale reliability (Hair, Black, Babin, Anderson, & Tatham, 2010). The Cronbach's alpha for the eight factors ranged from 0.76 to 0.99 suggests that the constructs measures are deemed reliable.

Correlation analysis

The interrelationships between the seven variable measurements were examined through correlation analyses. According to Simon (2008), correlation values of +0.01 and above are significant but shows little association, values that are above +0.3 and are lesser than +0.7 depicts weak positive association while values above +0.7 to +1.0 shows strong positive association. Table 4 describes that all of the Pearson's correlations between the variables are positively significant at 0.05 levels.

It is clearly evident that from Carl Pearson's Correlation Analysis the factor Brand Image of Product /Service which is a dependent variable on Service Promotions, Product and Service, Service outlet atmosphere, Reputations on Adjustments and My friends and the Service Provider is having correlation to the degree of 0.875, 0.496, 0.991, 0.983 and 0.924 respectively and thus having a close positive correlation with the factors of determinants. Also it is tested at 5% level of significance that the correlation between Brand Image of Product /Service is very much significant with Service Promotions, Service outlet atmosphere, Reputations on Adjustments and My friends & the Service Provider Factors except Product/ Service as shown in Table 4.

Hence the hypothesis under test as per the research frame work H_2, H_3, H_4 and H_5 are proved beyond any doubt that they are significantly correlated with the dependent factor Brand Image of Product /Service which is considered to be the prime factor in influencing the customer preference towards BSNL services.

Table 4: Correlation Analysis

Correlations							
		Brand Image	Product/ Services	Service Promotions	Service outlet atmosphere	Reputations on Adjustments	My friends and the Service Provider
Brand Image	Pearson Correlation	1	0.496	.875**	.991**	.983**	.924**
	Sig. (2-tailed)		0.396	0.042	0.001	0.003	0.025
	N	500	500	500	500	500	500
Product/ Services	Pearson Correlation	0.496	1	0.558	0.596	0.475	0.789
	Sig. (2-tailed)	0.396		0.329	0.289	0.419	0.112
	N	500	500	500	500	500	500
Service Promotions	Pearson Correlation	.875**	0.558	1	.912**	.941**	0.875

	Sig. (2-tailed)	0.042	0.329		0.031	0.017	0.052
	N	500	500	500	500	500	500
Service outlet atmosphere	Pearson Correlation	.991**	0.596	.912**	1	.984**	.963**
	Sig. (2-tailed)	0.001	0.289	0.031		0.002	0.008
	N	500	500	500	500	500	500
Reputations on Adjustments	Pearson Correlation	.983**	0.475	.941**	.984**	1	.908**
	Sig. (2-tailed)	0.003	0.419	0.017	0.002		0.033
	N	500	500	500	500	500	500
My friends and the Service Provider	Pearson Correlation	.924**	0.789	0.875	.963**	.908**	1
	Sig. (2-tailed)	0.025	0.112	0.052	0.008	0.033	
	N	500	500	500	500	500	500
**Correlation is significant at the 0.05 level (2-tailed).							

Table 5: Model Summary

Model	R	R Square[b]	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	1.000[a]	1.000	1.000	.92653	2.409
a. Predictors: Product/Services , Reputations on					

Figure 2: Histogram for Residuals
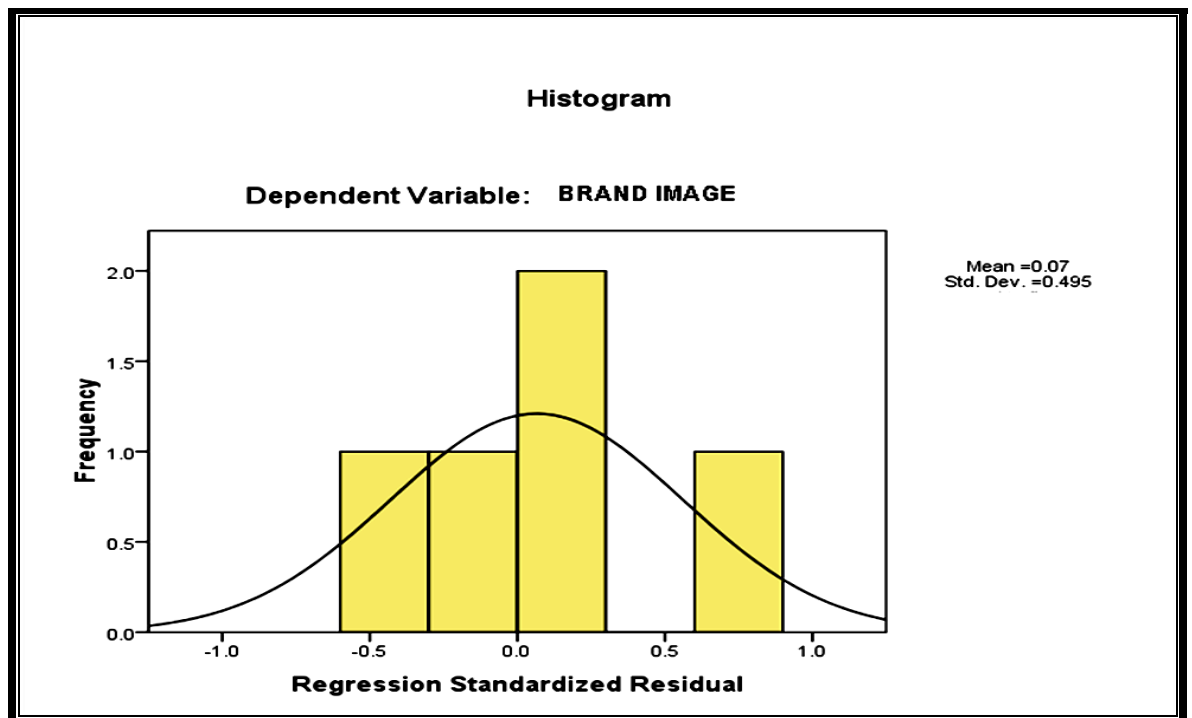
Adjustm
ents, Service Promotions   and Service outlet atmosphere
b.   Dependent Variable: Brand Image

Regression Analysis

The regression analysis carried out on the factors keeping Brand Image of Product /Service as a dependent factor on Service Promotions, Product/ Service, Service outlet atmosphere, Reputations on Adjustments and My friends and the Service Provider reveals that from Table 5, that the regression equation has a perfect fit with an R^2 value of 1.000.

It is seen from figure 2. Histogram for residuals (dependent variable) that the bell shaped curve shows that it follows a normal distribution and thus it is proved beyond doubt the data distribution is normal in nature.

Source : Primary Data

It is seen from figure 3. Normal P-P plot of regression standardized that there is perfect linear correlation and fit between the observed and expected frequencies/probabilities which is explained by the straight line and thus it is proved beyond doubt the there is a linear relationship between the variables under test with the dependent variable effectiveness of Product and Service.
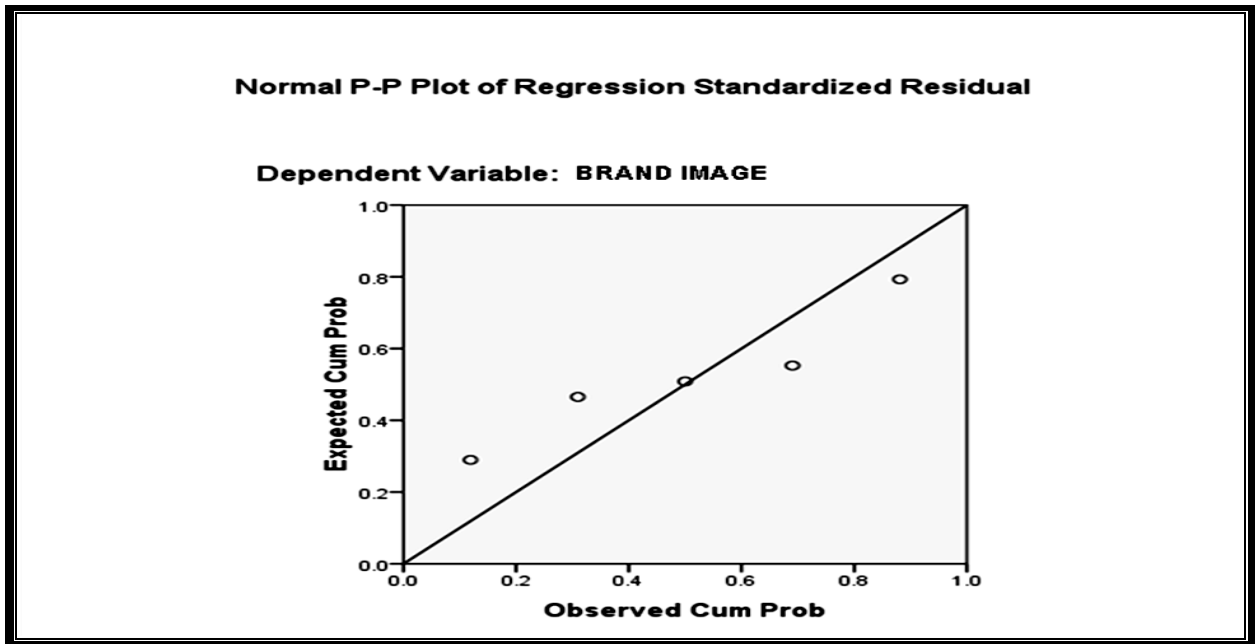
Normal P-P Plot of Regression Standardized Residual

Dependent Variable: BRAND IMAGE

The *coefficient of determination* denoted by R^2 is a statistic that will give some information about the goodness of fit of a model. In regression, the R^2 coefficient of determination is a statistical measure of how well the regression line approximates the real data points. An R^2 of 1.0 indicates that the regression line perfectly fits the data as is our case.

In our analysis, the model summary in Table 5 shows that the *Durbin-Watson* value d =2.409 which indicates no autocorrelation and hence the factors are proved to be independent in nature as per our research frame work. The value of d always lies between 0 and 4.

If the Durbin–Watson statistic is substantially less than 1.5, there is evidence of positive serial correlation. As a rough rule of thumb, if Durbin–Watson is less than 1.0, there may be cause for alarm. To further test the significance of the model F-test was conducted which is shown in the following ANOVA Table 5 that shows the model is significant at 5% level of alpha as the significance value is less than the alpha value.

Table 5: F-Test with ANOVA Table

ANOVA[c,d]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4514657	400	11286.64	1314753	0.000654
	Residual	0.858461	100	0.008585		
	Total	4514658	500			
a. Predictors: Product/Services, Reputations on Adjustments, Service Promotions, Service outlet atmosphere						
b. Dependent Variable: Brand Image						

Table 6 : Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients
			Std. Error	Beta
1	(Constant)	50.844		
	Service Promotions	0.791929	0.01003507	0.925816281
	Service outlet atmosphere	0.248132	0.00941214	0.41410590
	Reputations on Adjustments	-0.18696	0.02510019	-0.33598481
	8 Effectiveness of Product/Services		0.01623498	-2.46555685
	Service Personnel		0.01003507	-6.43561159
	Location conveniences			3.123116723
a. Predictors in the Model: (Constant), Other Convenience Factors, Assortment of Product/Service, Price of Product/Service				
b. Dependent Variable: Quality of Product/Service				

It was already established by correlation test between variables of Brand Image of Product /Service (Y) which is a dependent variable on Service Promotions (X_1), Product /Service (X_2), Service outlet atmosphere (X_3), Reputations on Adjustments (X_4) and My friends and the Service Provider (X_5) which is ranging from 0.875, 0.496, 0.991, 0.983 and 0.924 respectively with a high degree of correlations except Product /Service which is having an average degree of correlation.

From the regression analysis the summary in TABLE 6 gives the coefficients for regression equation for different independent variable with the dependent variable which is explained by the coefficients of variables which are shown in the table.

$$Y = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5 X_5$$

Table 6: Coefficients of variables

(Constant= b_0)	50.844	Product /Service (b_2)	-1.925
Service Promotions (b_1)	0.092	Reputations on Adjustments (b_4)	-.485
Service outlet atmosphere (b_3)	2.087	My friends and the Service Provider (b_5)	3.118
Brand Image of Product/Service (Y)			

V. Conclusion

This paper endeavoured to examine the factors of Brand Image of Product /Service as a determinant that influences the customer preference towards telecom services of BSNL. The Cronbach's alpha for the seven factors suggests that the constructs measures are deemed reliable. Carl Pearson's Correlation Analysis revealed that there is a close degree of positive correlation with the factors of determinants. It was corroborated at 5% level of significance that the correlation between Brand Image of Product /Service is very much significant with Service Promotions, Service outlet atmosphere, Reputations on Adjustments and My friends & the Service Provider Factors except Product/ Service. Thus the hypothesis under test as per the research frame work H2, H3, H4 and H5 are proved beyond any doubt that they are significantly correlated except the hypothesis H1which is not significant at5% level. The Histogram for residuals (dependent variable) that the bell shaped curve shows that it follows a normal distribution and thus it is proved beyond doubt the data distribution is normal in nature.

From the Normal P-P plot of regression standardized one can infer that there is perfect linear correlation and fit between the observed and expected frequencies/probabilities which is explained by the straight line. The ***coefficient of determination*** denoted by R^2 is a statistic that will give some information about the goodness of fit of a model. In this model, the regression analysis carried out on the factors revealed that the regression equation has a perfect fit with an R^2 value of 1.000. Also the ***Durbin-Watson*** value d =2.409 which indicates no autocorrelation and hence the factors are proved to be independent in nature as assumed in our research model which is proved beyond doubts. Finally the regression equation between the dependent and independent variables is predicted with the constant value and beta value for different determinants as discussed above. The results revealed that customer preference towards telecom services of BSNL was significantly influenced by 5 determinants to various degrees as discussed in the paper in details. There is a scope for future research in this area by taking Quality of Product/service as another dependent factor which will have a positive impact on the customer preference towards BSNL services with allied factors that may have a positive influence on Quality of Product/service. Thus the managerial implications and global perspective of the study comes from the findings that any service/product provider of similar kind, to become more successful in their venture should go about formulating suitable strategies to fine tune these 5 determinants to various degrees of their influence in their field of service/product in order to attract and retain right customers by making best use of their technology and resources.

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A review of Insider Trading provisions in the Securities Act of leading global Financial Markets

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Abstract

Even a decade after the 2007-2008 financial crisis, the debate still continues on the causes of what is considered by many as the worst financial crisis since the Great Depression of 1930's. The US Senate's Levin-Coburn Report, The Financial Crisis Inquiry Commission, and Experts are of the opinion that other things withstanding, it was the widespread failures in financial regulation that was the root cause. This reinforces the fact that financial regulation and supervision is at the heart of the effective functioning of any financial system in a free market economy. Dynamic regulations not only help reduce the impact of such evens but also help in restoring stability. This study reviews the Insider Trading provisions in the Securities Acts of the five largest securities markets of the world and the emerging trends and issues.

Key Words – Insider Trading, Insider Trading Acts, Insider Trading Regulations

I. Introduction

As the world continues to shrink, global financial markets are expanding and trading of shares, bonds, derivatives and other instruments continues to increase. These markets are the lifeline of capitalist economies, bringing in the much needed investment to fuel economic growth. A natural corollary of this function is the need for dynamic regulation that keeps pace with new developments - domestic as well global to ensure global financial stability. Dynamic regulation not only helps in reducing the impact of such events but also help in restoring stability in the event of such crisis.

Today when the world stands on the brink of another recession, doubts are being raised that the structural problems which led to 2007-2009 are still existent today and continue to threaten financial stability. In this scenario, countries where strong regulations are enforced make investors more confident about operating in them. These less risky investments translate into lower return requirement for host companies and add to overall financial stability. Growing investment of middle class of their savings in equity investment across the globe makes it imperative that market fraud be taken seriously. Against this backdrop an attempt has been made to review and compare the insider trading laws and regulations of the world's largest financial markets. Insider trading refers to the trading that takes place when those with access to confidential information about important events use it to make profits or avoid losses on the stock market at the cost of investors who buy or sell their stock without knowledge of "inside" information.

The objectives of the study are-
* To undertake a comparative study of the main provisions of the Insider Trading regulations of world's largest financial markets.
* To review the main features of Insider Trading regulations and emerging trends.

II.   Methodology

In this study the insider regulations of all countries having stock exchanges with a combined market capitalization of greater than 2 trillion $ were considered. (Table:1)

Table : 1 List of Stock Exchanges as per market capitalization (in USD trillions)

Stock Exchanges	Mkt. Cap	Country
Nasdaq – US	7.2	USA
NYSE	18.6	USA
TMX Group	1.8	Canada
Australian Securities Exchange	1.2	Australia
BSE India Limited	1.5	India
Hong Kong Exchanges and Clearing	3.0	China- Hong Kong
Japan Exchange Group	4.8	Japan
Korea Exchange	1.2	S.Korea
National Stock Exchange of India	1.5	India
Shanghai Stock Exchange	3.8	China
Shenzhen Stock Exchange	3.1	China
Deutsche Boerse	1.7	Germany
Euronext	3.4	Europe
London SE Group	3.7	UK
SIX Swiss Exchange	1.4	Switzerland

Source- World Federation of Stock Exchanges (data as on May 2016)

This gave us a sample of five countries- USA, China, Japan, UK & India. USA - with two stock exchanges, New York Stock Exchange (1817) & NASDAQ (1971) has a combined market capitalization of $25.8 trillion; China- with its two stock exchanges, Shanghai Stock Exchange (1990) & Shenzhen Stock Exchange (1991) has a combined market capitalization of $ 6.9 trillion, Japan - with Japan Exchange Group (JPX) (2013) has a market capitalization of $ 4.8 trillion, UK – with London Stock Exchange Group (2007) has a market capitalization of $ 3.7 trillion, and India - with its two stock exchanges – the Bombay Stock Exchange (1875) and National Stock Exchange (1992) has a joint market capitalization of $3 trillion.

This is an explorative study, and findings have been presented in two sections. In the first section a study of the salient provisions of Insider Trading Acts of the five countries was undertaken. In the second section the regulatory trends regarding insider trading since inception have been covered. The last section deals with the latest trends in insider trading.

Limitations of the study

Only salient aspects of the regulatory Acts of the countries have been covered. In the case of UK and Japan only the current Acts have been reviewed, even though the earlier Acts have shaped the current legislation as it would have made the study very large. For the same reason the insider trading regulations by the Regulatory bodies of these countries have been covered only to the extent they have amended and shaped the salient provisions of the Acts, even though the Acts and Regulations together constitute the regulatory fabric.

Comparative study of the salient provision of Securities Acts

Salient provisions of the regulatory Acts of the five countries were reviewed along with provisions like governing laws, sanctions imposed by them, number of Acts applicable, regulatory bodies, types of punishment and penalties for insider trading crimes. The results are presented Table 2.

Insider Trading Regulations-main features and trends

Securities Acts of countries provide broad principles, objectives and provisions for setting up regulatory bodies. In USA the two Securities Act and insider trading regulations were put in place way back in 1934 and unlike many countries its original Act still holds good. Its insider trading regulations to a large extent has been guided by the Courts in USA. Over the decades Case laws have helped define the scope of insider trading prohibitions. SEC, the securities regulatory body, drafted Rule 10b-5 to help implement the anti- fraud rule, Rule 10(b) of the Act, uses 'an all insiders to disclose or abstain from trading' interpretation. The Courts felt the approach was too broad and instead adopted a 'fiduciary-duty based approach' to find insider trading liability. In response SEC came up with Rule 14e-3 under Section 14(e) of the Exchange Act, and made it illegal for anyone, to trade on the basis of material non-public information regarding tender offers, as no fiduciary existed here. Subsequently the courts adopted the 'misappropriation theory' that holds that a person commits fraud "in connection with" a securities transaction, and violates 10(b) and Rule 10b-5, only if, he misappropriates confidential information for securities trading purposes, in breach of a duty owed to the source of the information. In terms of independent administrative regulations pertaining to insider trading SEC has drafted only- The Fair Disclosure Regulation, 2000 that fills the absence of prohibition on 'selective disclosure of information' by security issuers. Thus we see a healthy play of institutional checks and balance, resulting in effective regulation of the markets.

Insider trading legislation in China is of relatively recent origin, 1993, so it had the advantage of having, already existing regulations of other countries to guide it. It has adopted the US model to a large extent, which is also considered as its drawback as it doesn't fit too well with its single party political structure. The regulatory laws; regulatory body; the rules and regulations; and the sanctions -both civil and criminal; are all in place, but have not been very effective in curbing insider trading. Many reasons can be attributed to this. One is that most of the regulations and regulatory structures adopted by it have evolved in democratic countries, where healthy check and balances exist. Its regulatory body, the Securities Regulatory Commission (CSRC) like its counterparts in other countries enjoys many powers. It also has sufficient discretion to make regulatory rules to ensure implementation of the Securities Law. It also has the power to impose sanctions and penalties. Further the law

provides for two systems of appeal to review the CSRC's decisions –first the affected party can apply to CSRC to reconsider its decisions, second the relevant person can file a case in the court for review of the administrative decision. But in practice it is not so straightforward, the first hurdle is that CSRC does not disclose the reasons of its decision, so later in case of dispute it is able to give suitable ex-post interpretations. This along with the fact that the reviewer and decision-maker belong to the same administrative agency makes it difficult to get justice. Further CSRC enjoys discretionary power in keeping with China's political set-up that ensures the leading status of State Owned Enterprises, which form a large component of the securities market. In addition as securities market are only two decades old in China and the Chinese Courts too are in the early stage of development, they do not have sufficient expertise and experience in securities related disputes. This along with lack of independence of Courts renders the CRSC too powerful. Coming to regulations in 2007, the CSRC circulated an internal "guidance document" on the 2006 PRC Securities Law's statutory prohibition on insider trading, on Recognition and Confirmation of Market Manipulative and Insider Trading Behaviour, but these are non-legal and non-regulatory guidance for internal use. They are not available in the public domain. So much is the ambiguity regarding regulatory interpretations that in 2012 the Supreme People's Court and the Supreme People's Procuratorate of the PRC jointly released an "Explanation" governing the enforcement of China's statutory insider trading prohibition, but this too is restricted to criminal prosecutions. Thus we see that the foundations of insider trading regulations are still taking root and have a long way to go.

In Japan the approach to insider trading has changed radically over the years, from 'what's wrong with it'; 'it is a perk of the company'; to considering it a 'technical offense'; to finally accepting it as a 'serious crime' that undermines the markets. A similar change in approach is reflected in its insider trading regulations too. Its   Securities Exchange Act of 1948, had provisions against securities fraud, for disgorgement and disclosures too. It had set up the Securities and Exchange Surveillance Commission's (SESC), the regulatory body for securities, yet insider trading was rampant, as it was largely considered acceptable. It was only in 1988 that the need was felt to buttress the prohibitions of insider trading through two amendments to the Act and criminal penalty was introduced. In 2006, Securities Exchange Act was expanded and renamed as Financial Instruments and Exchange Act of 2006 (FIEA), but insider trading regulations largely remained the same. In 2009 - 2010 there was a serious new-issue insider trading scandal following which in 2013, a bill to amend FIEA, was passed to restore investor confidence. It increased the scope against disclosure of inside information in trading recommendations and enhanced the monetary penalty for violations by asset managers. Thus we see slowly but steadily SESC is tackling insider trading.

UK is considered as the birth place of Insider trading regulations. In its current form the regulatory body is Financial Conduct Authority (FCA), 2013 for business and financial markets regulation. For some regulated financial firms FCA regulates all aspects (prudential & conduct), and for some only conduct. Prudential aspects focus on risk, capital and liquidity of the institution, while conduct aspects cover how consumers are impacted by the actions of financial institutions. FCA's responsibilities are set out in the Financial Services and Markets Act 2000 (amended by the Financial Services Act 2012) and supporting legislation. As member of the European Union, it is also regulated by European Securities and Markets Authority's- Market Abuse Regulation (MAR), 2014. MAR is Europe's first attempt at harmonizing market abuse legislation by   imposing minimum standards. It has also created some tools to prevent and detect market abuse like - insiders' lists, suspicious transaction and

order report (STOR), managers' transactions disclosure duties, persons discharging managerial responsibilities (PDMRs) notification etc. FCA has adopted a judgement-led supervisory and regulatory approach. Instead of adopting a legalistic rule based approach of defining what is and what is not market misconduct, it provides broad outline leaving it for the discretion of regulatory enforcers to use their judgment and enabling them to be responsive to existing and new forms of insider trading and market abuse. It's approach has been quite successful, but this could also be attributed to its rich legal history. Unlike in most countries UK insider trading law is not limited to dealings with the listed companies.

In India, the Securities and Exchange Board of India Act, (the SEBI Act) for regulation and development of securities market, was passed in 1992. The Act gave statutory powers for the first time to the market regulatory body, SEBI established since 1988. It was also in 1992 that India's first comprehensive legislation, SEBI (Insider Trading) Regulations came into force, even though India's attempts to regulate insider trading can be traced way back to 1948. In 1948,Thomas Committee was constituted to look into insider trading regulations, it resulted in introduction of Sec 307 & 308 in the Companies Act, 1956. In 1978, 1986 and 1989 Sachar Committee, Patel Committee and Abid Hussain Committee respectively were set up to look into insider trading. All recommended enactment of separate statute for curbing insider trading, which subsequently led to the passing of SEBI Act, 1992. The 1992 Insider Trading Regulations were substantially amended in 2002 and renamed as SEBI (Prohibition of Insider Trading) Regulations, 1992. Since then it has been amended five times. In 2015, these regulations were replaced by SEBI (Prohibition of Insider Trading) 2015 Regulations, which have re-vamped the entire frame-wok of insider trading regulations. They have widened the scope of the term 'insider'; extended the application of UPSI (Unpublished Price Sensitive Information) to companies; as well securities-proposed and listed; provided for legitimate trading by insiders; additional disclosures etc. Coming to enforcement not much has been changed by the new regulations, it has two courses of action- administrative/ civil or criminal actions, and its decisions can be appealed in the Securities Appellate Tribunal and second appeal to the Supreme Court. In 2007, it put in place the compounding offense and consent process, inspired by SEC's (US) success. This process allows violators to pay fines and fees instead of going through the civil /criminal proceeding and potentially serving prison time (SEBI, 2007). In USA 90% of the cases are settled using this process. It has been successful in India too, but in 2015-16, there has been a fall in the number of settlement cases putting pressure on the enforcement system. SEBI attributes this to doubts on the interpretation of some provisions and has issued an internal guidance note in March'2016 clarifying the doubts it has been incorporated in the Settlement Regulations. India has not made a single criminal conviction in insider trading to date.

III. Conclusion

All the countries agree that insider trading needs to be prohibited, and have put in place regulations, suitable to their political, legal and economic culture. In US and UK, the long history of insider trading regulation and rich legal culture has seen the Courts play a large role in the development of insider trading regulations, making it the global leader in insider trading regulation. Countries like Japan, China and India have relied heavily on the American model while drafting the Securities Act and Insider Trading Regulations but have started customizing it to suit the domestic requirements. Recent crack-downs in China against insider trading and resulting developments show that it is a matter of time, that China will over-come its short-coming of statutory regulations. In countries like India which are

stretched for resources, formally spelt out legislative and regulatory regulations, and provision of legislative notes interspersed within provisions like in the recent 2015 Insider Trading Regulations make interpretation and implementation more effective. In Japan too, in keeping with its approach to insider trading, the regulation is largely 'preventive', and the regulatory body, SESC has no enforcement powers, it can only make recommendations to FSA.

Another new trend seen is that of 'sharing the responsibility of regulation' by the market participants, they are now involved in the detection and enforcement provisions by using tools like submission suspicious transaction and order report (STOR) by firms and trading venues on a secure portals, and existing ones like FCA's whistle blower protection policy, publishing Market Watch newsletter, display of cases on web-site with detail etc. have made regulation a very open and transparent affair. CSRC too has started putting leading cases on its web-site. Even the rulemaking process at SEC has become very participative. It starts with 'concept release of the proposed rule' for public input, followed by drafting of detailed 'formal rule proposal', which is again put for public comment, and results thereafter in final rule. In UK and India the concept is largely in place. It is only a matter of time before other countries too, will adopt it.

Harmonization of insider trading regulations, is another emerging trend. EU's attempt at harmonizing insider regulation across all by imposing minimum standards is a big step towards global regulation, to prevent large scale global financial crisis. But at the same time one has to accept that insider trading cannot be totally prevented and the efforts to regulate it will always be an ongoing battle. New methods will have to be developed of detection and enforcement, as seen in Rungruangnavarat's vs SEC use of social media as evidence (Rungruangnavarat's Facebook friends was a former employee of his and was currently employed at a Thailand investment bank that had advised a competing bidder). Sebi too has been examining Twitter and Facebook for quite some time for investigative purposes, in the Palred Technologies Ltd (PTL) share trading case, it had used Facebook account as evidence for proving the charges. Thus we see regulation in a natural corollary of any economic activity and regulators will constantly have to keep up the struggle to outpace the market manipulators.

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