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STRATEGIC IMPACT OF INWARD FOREIGN DIRECT INVESTMENTS ON THE LABOUR MARKETS OF DEVELOPING ECONOMIES

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Keywords
FDI, competition, labour markets, developing economies, MNEs.

ABSTRACT
Foreign direct investment (FDI) is a key element in this rapidly evolving international economic integration, also referred to as globalization. According to the Organization for Economic Co-operation and Development - OECD (2008) FDI provides a means for creating direct, stable and long-lasting links between economies. Under the right policy environment, it can serve as an important vehicle for local enterprise development, and it may also help improve the competitive position of both the recipient (“host”) and the investing (“home”) economy. This paper presents an articulated review of results concerning the impact of foreign direct investments on labour productivity. The focus basically is on the labour productivity differences that exist between the foreign and domestic companies and on the way these differences evolve in the host countries. Findings show that national companies generally increase their labour productivity due to the technological and managerial competences that they borrow from the foreign companies established in their country and also because they have to protect themselves from the new competition as well as comply with the growing demand coming from the new investors. Due to their higher labour productivity, foreign firms offer higher wages to their employees. This also determines a growth in the salaries of national companies’ skilled workers. Therefore the wage inequalities and skill differences grow in countries that receive FDI. However the overall effect of a growing productivity is most often translated into job creation and regional development.

JEL Classification
F16, F21, F23

1. INTRODUCTION
The impact of inward foreign direct investment has been widely studied. Being such an important issue for the recipient country, the most common question raised was whether foreign investment brings costs or benefits to the economic environment of the host country. The main perspectives, from which the problem is analyzed, are economic growth (i.e. whether it is sustainable or not) and social implications. And the main argument to sustain foreign direct investment consists in the positive spillovers to local firms as well as increases in production, employment and incomes. To attain these benefits, governments take several liberalization decisions for attracting foreign investments, such as: eliminating certain requirements, in terms of performance, for foreign investors who supply the local firms, eliminating the obligation to export a certain amount of what they produce inside the host country and giving up the exclusion of certain sectors from FDI.
In most cases, governments create bilateral and multilateral investment treaties around the world and are often given the mutual possibility for the multinational companies to sue host governments in international tribunals if irresolvable differences should arise. The evidences regarding the benefits of foreign direct investment for the host country shows that, in order to achieve sustainable development, countries must do more than simply attracting foreign investments. This happens when the positive spillovers do not occur due to different reasons that should be studied for each particular country. So it is not necessarily the fault of the foreign investors who do come into the host country with better technology and higher productivity and employ people on higher wages. Zepeda, Schalatek and Gallagher (2008) stressed that in order to create favourable background and for sustainable development to be achieved through FDI there should be a tight relationship between the macroeconomic policies of the host country and its FDI policies. And the focus should be on sustaining the evolution of the capabilities of the domestic firms and, in the same time, ensuring environmental protections. In the absence of such policy, most often, foreign direct investments bring serious disadvantages to the host country’s labor market. Among these, perhaps the most criticized, is the rising wage inequality. Due to the superior technological assets that foreign companies bring along, the newly employed people will be among the most qualified, raising the unemployment among the unskilled population. Because the domestic companies acquire new technologies from the foreign companies in their country, they will also need to employ more qualified personnel. This will further contribute to the wage differences and the future development of the abilities of the employees in different organizations. On the other hand, the good effects translate in terms of higher labour productivity, which is actually a very important advantage that can be achieved through FDI (Driffield, 1996; Conyon, 1999; Girma, 1999). In the case of developed countries, the negative effect of globalization is that it determines a decrease in the demand for unskilled labor because of the foreign competition (Driffield and Taylor, 2000).

2. LITERATURE SURVEY

2.1. Foreign Direct Investment – An overview

The rising interdependency of world markets through declining communication and transaction costs known as globalization has brought with it a disintegration of the production process, in which manufacturing or services activities done abroad are combined with those performed at home. World Economic Report (2007, p.245) defined Foreign direct investment as an investment involving a long-term relationship and reflecting a lasting interest and control by a resident entity in one economy (foreign direct investor or parent enterprise) in an enterprise resident in an economy other than that of the foreign direct investor (FDI enterprise or affiliate enterprise or foreign affiliate). FDI implies that the investor exerts a significant degree of influence on the management of the enterprise resident in the other economy. Such investment involves both the initial transaction between the two entities and all subsequent transactions between them and among foreign affiliates, both incorporated and unincorporated. FDI may be undertaken by individuals as well as business entities. Flows of FDI comprise capital provided (either directly or through other related enterprises) by a foreign direct investor to an enterprise, or capital received from an investing enterprise by a foreign direct investor.
Furthermore, Tham (2010) stressed that foreign direct investment is a type of investment that involves the injection of foreign funds into an enterprise that operates in a different country of origin from the investor. Investors are granted management and voting rights if the level of ownership is greater than or equal to 10% of ordinary shares. Shares ownership amounting to less than the stated amount is termed portfolio investment and is not considered as FDI. This does not include foreign investments in stock markets. Instead FDI refers more specifically to the investment of foreign assets into domestic goods and services. FDIs are generally favored over equity investment, which tend to flow out of an economy at the first sign of trouble, which leaves countries more susceptible to shocks in their money markets. FDIs can be classified as inward FDI or outward FDI depending on the direction of the flow of money. Inward FDI occurs when foreign capital is invested in local resources while outward FDI is also referred to as ‘direct investment abroad’ (Wilson and Neil 2014). Foreign investments create opportunity for improving the firm’s cash flow and enhance shareholders wealth. Hence, it is the responsibility of the firm’s management to develop strategies, which involve the penetration of foreign markets, which will yield the highest rate of return. FDI occurs when a firm invests directly in facilities to produce and or market a product in a foreign country. FDI can be done in two main categories; the first is Greenfield investment in the form of the establishment of a new operation in a foreign country (Hill, 2004, p 242). Secondly, FDI can occur by acquiring or merging with an existing firm in a foreign country. FDI can act as a powerful catalyst for economic change, although the option is expensive because a firm must bear the costs of establishing production facilities in a foreign country or acquiring a foreign enterprise. FDI is also risky because of the problems associated with doing business in a different culture where the “rules of the game” may be different. If the venture fails money will be lost and there is always the risk of expropriation. Hence investment decisions by the firm are expected to improve productivity and respond to changes in the competitive environment. Foreign investment offers technology transfer, management know-how and access to foreign markets (Wilson and Neil 2014).

2.2. The impact of Foreign Direct Investments on Labor Market

Foreign direct investment is usually sought by countries that are going through the transition period and/or those that face severe structural unemployment. There are countries that rely entirely upon FDI when it comes to solving their unemployment issues. In such cases, Greenfield investments or the acquisition of local unprofitable or bankrupted state owned companies are the most appropriate because they would hire people that do not have other working opportunities in the area and for which professional reconversion would be very difficult (Wilson and Neil 2014). The main advantage of FDI, as from the impact on the labour market perspective, would be job creation and uniform regional development. In studies that evaluate the UK situation, authors found several types of benefits of inward FDI: a decrease in unemployment and regional development (Young, 1988, 1994), a more efficient allocation of resources and an adjustment of the trade balance through capital inflow (on the short term) and through the exports (on the long term) (Duning, 1988). Developed countries also have interests to receive FDI. Their priority consists in the technological advantages that they can transfer from the foreign companies to the domestic ones and establishing multilateral partnerships that allow them to export FDI as well.
Several business relations are created between foreign and national firms and a continuous learning process is developed. For the local producers, it seems to be an easy and cheap way to adopt new competences and to increase productivity (Hood, 1999). Studying the effects of inward FDI in the manufacturing sector in the UK, Driffield and Taylor (2000) found that due to the long learning process, these effects take action only after two years, while Djankov and Hoekman (1999) identified, in the case of the Czech Republic, no positive impacts on productivity over a four years lag. The labor market impact, as defined by Driffield and Taylor (2000), is the wage share (the ratio of the skilled people’s wages in the total wages of the people employed in the UK) considering the FDI in two ways: the share of total UK manufacturing labour force employed by foreign multinationals and by the share of net capital expenditure accounted for by foreign firms in the UK. The two types of impact are analyzed at the present moment t, at t-1 and at t-2. The results show that in both cases the influence is mostly significant at two lags, which means that skilled labour becomes better paid after two years because of the increased labour productivity that is derived from the assimilation of foreign technology. Berman, Bound, Griliches (1994) tried to assess, comprising a quantitative and a qualitative analysis, the effects of FDI on wage shares and the proportion between skilled and unskilled employment. Although, in the case of US manufacturing sector, a strong correlation was observed between research and development and computer investments on one hand and skill upgrading on the other hand, the conclusions of the study showed that skill upgrading is not the cause of trade and FDI. These conclusions surprised the authors as well because manufacturing was the sector that faced the most skill upgrading while trade and foreign outsourcing was the most developed. The following section discusses the effects of inward FDI on employment in various countries.

3. EFFECTS OF INWARD FDI ON EMPLOYMENT

3.1. Mexico

De Mello (1999) studied the impact of the state-level growth in FDI on skilled labour share of wages in Mexico. This is measured using state-level data on two-digit industries from Mexico Industrial Census and regional data on the activities of maquiladoras (i.e. foreign assembly plants) for the period 1975 to 1988. They apply their own model of trade and investment to study the effect of FDI on the relative demand for skilled labour in Mexico. They found, that in Mexico over the period 1975-1988, growth in FDI is positively correlated with the relative demand for skilled labour and that can account for a large portion of the increase in the skilled labour share of total wages. In the region where FDI was most concentrated, growth in FDI can account for over 50% of the increase in the share of skilled labour in total wages that occurred during the late 1980s. A large fraction of new foreign manufacturing activities in Mexico were the result of outsourcing of US MNEs. Their finding was that FDI into Mexico was of a sufficient magnitude to have had large effects on the country’s labour market.
3.2. Sri Lanka

When garment manufacturers from the newly industrialized countries (NICs) had filled the export quotas of their own countries in the early 1980s, they pursued investment projects in countries such as Sri Lanka as a means of quota-hopping. Within Sri Lanka’s manufacturing sector, the garment industry accounts for roughly 40% of gross output and employment. In 1995, more than 230,000 employees worked in the garment industry, and there were approximately 750 garment factories, half of which had been granted special status by the Board of Investment (BOI) of Sri Lanka. Since the early 1990s, privatization of old textile mills and aggressive pursuit of FDI for modernization became the key policy emphasis. Political pressure to promote backward linkages came in 1992 when the garment sector became the largest foreign exchange earner to the country. With a network of competitive local suppliers, garment manufacturers could reduce lead-time and time delays (Figini and Görg, 1995). The nature of the production decisions and purchasing agreements can constrain the formation of backward linkages in cases when the MNE buyer representatives have incentives to choose foreign suppliers over home-based ones. Due to the nature of global strategies of MNEs and international buying groups there is less room for local suppliers to provide inputs to the garment industry. In other words, the demand for domestic inputs is restricted due to the role of MNEs in the garment production process in Sri Lanka (Liu and Yhao 2006).

3.3. Latin America

The main purpose of Piscitello and Rabbiosi (2005) study was to examine the impact of US affiliates of MNEs on the generation of employment in Latin American manufacturing sector. The implicit alternative used in this study to examine this type of questions was the domestic enterprise of similar size to the existing US affiliate located in the corresponding manufacturing branch. The study used data for US MNE affiliates provided by the US Department of Commerce for the period 1966-70. Thus, non-US MNE were excluded because of the lack of information. The outcome was that the study accounts for approximately 75% of total MNE affiliates operating in the Latin American manufacturing sector during this period. The level of industrial disaggregation corresponds to 13 manufacturing branches at two digits of the ISIC. The study used information relating to major manufacturing establishments, which employed 100 or more persons. Total employment for US manufacturing affiliates in the seven Latin American Countries (LACs) was slightly above 325,000 persons. All large manufacturing establishments (100 or more persons employed) in the seven LACs employed slightly more than 2,900,000 persons. Consequently, employment by US affiliates represented about 11% of total employment (Vinayan, Jayashree, and Marthandan 2012).

3.4. Indonesia

Hill’s (1991) cited in Sirmon, Hitt and Ireland (2007) examined the links between FDI and the labour market by focusing on FDI in the manufacturing sector in Indonesia as the major recipient of FDI outside the oil and gas sector. Consequently, the direct and indirect employment consequences of foreign investment are greatest in this sector, and the database is clearly superior.
Hill proceeds by assessing the impacts of FDI in terms of direct employment creation, skill and human capital formation, and technology transfer more generally. Detailed ownership data by sector are not available for Indonesia. However, on the basis of informed estimates Hill (1991) estimated a set of figures. The analysis relies primarily on the two: generally high quality Indonesian industrial censuses, and supplemented by the author’s industrial field research in the country over the last 25 years. The direct employment effects of foreign investment in Indonesia’s manufacturing sector are very small. Accurate estimates of the size of Indonesia’s labour force are impossible, owing to the large numbers engaged in cottage industry employment. The workforce in firms of at least 20 employees, which includes all the foreign firms and whose numbers can be estimated with much greater precision, comprises about 30.6% of the manufacturing workforce, or about 3% of the nation’s entire workforce. These figures underline the obvious point that, even with rapid growth, the manufacturing sector can at best make only a modest contribution to labour absorption.

3.5. Kenya

The ILO (2002a) study examines policies and practices with regard to industrial relations, employment and working and living conditions in MNEs, which own or operate plantations the second largest source of employment in Kenya in light of the principles and recommendations contained in the Tripartite Declaration of Principles concerning MNEs and Social Policy. Its aim is to highlight the positive contributions made by MNEs to Kenya’s social and economic development. In 1999, Kenya was host to 96 foreign affiliates, placing it sixth among African host countries. MNE plantations not only provide significant direct employment in rural areas, but help sustain the livelihoods of many thousands of other workers through indirect employment as well. Most plantations operate with a core staff or permanent workers, but call upon large numbers of seasonal or casual workers as the need arises. Seasonal workers thus form a substantial part of the plantation workforce (Caves and Porter 2007).

3.6. Philippines

In the Philippines, (De Mello, 1999) the result of a joint survey in 1970 by the Central Bank, the Board of Investment and the National Economic and Development Authority showed that: 208 large foreign companies with capital share 60% or more were estimated to employ 102,939 persons. The total labour force in 1970 was 11,235,000. The labour force employed by the foreign companies accounted for only 0.92% of the total labour force in the country. 209 foreign companies with less than 60% capital share were estimated to hire 118,389 persons. If both were added together, they only accounted for 1.05% of the total labour force. Considering labour-intensive industries only, foreign firms doing business in South-East Asia tend to have higher capital equipment ratios per employee than local firms so that the former’s employment effects may be smaller than those of the latter per unit investment amount when leaving out the effects on the output or value added (UNCTAD 2013). The Philippines received $917mn in FDI in the first half of 2012, whereas FDI of $5.8bn was pumped into Brazil in June 2012 alone, a BRIC country and one of the fastest growing economies in the world. The price of labour in Philippines and Brazil are $2.01 and $11.65 per hour, respectively.
As noted, even though labour costs in Brazil are more than five times that of the Philippines, the South American country has been much more attractive to foreign investors. The lack of FDI in the Philippines, a low-wage country, is explained by the fact that foreign investors are no longer principally concerned with utilizing investment locations as platforms for cheap labour from which to export inexpensive manufactures to the affluent markets of the North. Brazil’s internal market growth is one of the reasons why FDI is attracted to that country. India, with its massive population, receives a fair share of FDI for its exceptionally large market size (UNCTAD 2013).

4. FDI IMPACT ON LABOUR PRODUCTIVITY

According to the economic theory, foreign direct investments should increase labour productivity of the domestic companies. This is also one of the goals that governments try to achieve when they create the policies aimed at attracting FDI because it creates sustainable development of the country, not only short term advantages (Wilson and Neil 2014). In the current chapter, several empirical studies regarding this matter are presented. Some of them come to confirm the theory and others don’t. The increase in the labour productivity should occur, according to the theory, if the foreign companies have better productivity themselves and if they are able to transfer it to the local companies under the condition that local companies also have the ability to assimilate these spillovers. The absorption capacity, as many authors point, depends on the initial situation of the host country: the development stage of the economy and the trade regime (Lipsy, Sjöholm, 2004), a minimum level of technological capacity and expertise of the workers from the host country and a sustained effort from the side of the government and of the private sector to assimilate the foreign technology (Djankov, Hoekman, 1999). If the host country does not fulfill minimum conditions to open its economy to FDI, the effects will be notably negative. Inefficient local firms will not be able to face competition and will be forced out of the industry. The literature written in this domain is very vast but most of it can be found over the case of developed countries with a focus on the United Kingdom and the United States (UNCTAD 2013).

4.1. Positive vs. Negative Impacts

Aitken and Harrison (1999) found that foreign direct investments have two different types of impacts over the increase in productivity, that take place in the same time. One is the positive effect that is a result of the technology transfer and the spillovers and the other one is the negative ‘competitive effect’ that seems to be determined by increasing competition coming from the foreign companies. Because the total production of the local firms is reduced, as they have to split the market with the newly entrants, scale economies are more difficult to be achieved decreasing productivity by these means. The positive influence on the productivity of local firms was proved to be the result of inward foreign direct investment in studies for several countries like: USA (Lichtenberg and Siegel, 1987), The Czech Republic (Djankov, Hoekman, 1999), Indonesia (Anderson, 2000), Italy (Piscitello, Rabbiosi, 2005), China (Liu, Zhao, 2006) etc. On the other hand, De Mello (1999) identified a negative impact of inward FDI on the growth of productivity of the overall sample consisted in 32 countries (17 of them non-OECD countries and 15 OECD).
The non-OECD countries register a negative impact on the total factor of productivity that is higher than the positive impact obtained for the OECD countries. That is why the average is also negative. The result for the non-OECD countries can be explained through a higher degree of protectionism, because the recipient countries are less efficient in embodying the new technologies, or maybe the new technologies are not so far advanced from the old ones. In addition, FDI fosters producer capital accumulation. In order for the positive spillovers to occur, according to the above mentioned author, the foreign and the domestic investments should be complementary and can be substituted (Wilson and Neil 2014).

In the Czech Republic, Djankov, Hoekman (1999) obtained different types of impacts. The biggest benefits from foreign investments take FDI companies (resulted from acquisitions) and then the joint ventures. Domestic companies, which do not have foreign participation but activate in the same industry with such firms, suffer significant costs. The reason is obviously the impossibility of facing competition, incapacity of adjustment to the same technology that foreign companies use, the constraint of reducing the activity in order to survive, which all in all determines lower labour productivity. When governments support, through important costs, FDI hoping to achieve development, local businesses, which are usually unsupported (in order not to disturb fair competition), lose important playground. Open economies permit only to the best to survive, but if this is done too early, the survivors will mostly be from other countries. Barrel and Pain (1997) and Hubert and Pain (1999) strike out the fact that productivity is not improved in the host country because the foreign companies hire only expats in the key positions, which are highly technical, and the domestic employment is used only on positions that do not require such a high degree of qualification. Therefore the locals do not have access to the know-how that foreign companies bring along. Figini and Görg (1999) estimated the impact of multinational enterprises on the wage inequality in the host country. The results proved that the wage gap is increased as the FDI increase because of two factors that occur simultaneously: the increase in labour productivity of the local workers, as an effect of the technology spillovers, and rising demand for skilled labour (UNCTAD 2013). Blomström and Persson (1983) obtained relevant results while studying the influence on domestic labour productivity, using data at industry level. Foreign investments, calculated as the foreign employment share in the total industry employment, influence the domestic market’s labour productivity positively. According to Djankov, Hoekman (1999), it is a key element the access permission to the core activities of the company to the local employees. The foreign firms have some specific advantages on the local market related to its production organization and to its distribution networks. The workers from the host country can benefit from this specific information that they can find only from inside the company and they can spill the knowledge they achieve to domestic companies when they change their workplace.

Separating the effect of FDI, which productivity has on skilled employment from the domestic firms, Driffield and Taylor (2000) identify a function of the size of productivity advantage that explains the aforementioned effect. The purpose is to demonstrate the assertion1 that the ratio between the productivity of foreign firms on the productivity of the domestic ones (at industry level) is what makes the difference in the impact that FDI has from one industry to another.
The ratio represents the relative productivity and is split in three intervals: high > 1.2, medium I (1, 1.2) and low < 1. The ratio is noted by “A” and it determines maximum spillovers when it equals 1.2, as it was empirically established using panel data of UK manufacturing industry between 1982 and 1993. The maximum level of FDI impact is achieved at similar levels of foreign and domestic firms’ productivity.

4.2. The Causes Result Differences

Noticing the many and contradictory studies regarding the subject, Lipsey and Sjöholm (2004) deduced that the opposite results, which were obtained for the same studied matter, were due to the different techniques that were used. In order to identify why these differences appear, they took the case of Indonesia, comparing studies that used mainly the same panel of data, at firm level, and that should have obtained similar results. The main differences observed consist in:

- the construction of the FDI variable (as the foreign share of employment, share of value added or output share, taken at different sectors level, at national or regional level),
- the measure of technology gap (as the difference in labour productivity between foreign owned firms and domestic companies or as the level of investments/worker between foreign and domestic companies) that influences the spillovers,
- the industry that we refer to (its capacity to transmit spillovers to other industries: for instance IT industry has a high capacity, while the food industry doesn’t).

In what the differences between countries is concerned, the absorptive capacity of technology seems to be a cause of the result differences between the findings of the research. The more the employment is highly skilled, the more the positive spillovers occur. Moreover, it is a clear fact that spillovers occur more often among companies located in the same area (that have small spatial distances between each other). Consequently, the problem appears when we chose the data series. Available data is usually grouped by administrative divided regions, which has little to do with the real spread of the spillovers across companies from the same or different industries (Wilson and Neil 2014).

4.3. Types of Foreign Cooperations and Labour Market

One of the aspects that the economists thought that should be clarified was whether the type of FDI influences differently the labour productivity. Usually governments sustain mainly greenfield investments considering that investments that occur through mergers and acquisitions do not bring additional productive capacity. Studying the case of Italian manufacturing industry, between 1994 and 1997, Piscitello and Rabbiosi (2005) found that labour productivity is increased on the medium term due to inward FDI that is established through mergers and acquisitions. There are analyzed a set of companies that have been taken over by other companies in the specified period through a Cobb-Douglas function. The function suffers a logarithmic transformation and is differentiated with respect to time over a 2 year period in order to see a comparison before (t) and after (t+1 and t+2) acquisition.
The endogenous variables are: the percentage change in the physical capital and material intensity, while the exogenous variable is the percentage change in the labour productivity of the domestic company calculated as the value added per worker. The factor of influence on the labour productivity change is introduced in a dummy variable that first takes the values: Foreign/Domestic (referring to the type of acquisition) and then MNE/non MNE (the local company is bought by a multinational company or not with no respect to its country of origin - it can be either Italian or foreign). According to Piscitello and Rabbiosi (2005), the result of the OLS regression shows that the labour productivity is increased after the foreign acquisition (p value < 0.10), while the companies that suffered acquisitions from other domestic companies have not significantly improved their labour productivity. On the other hand, the acquisition by a multinational seems to have an important effect.

The coefficient of MNE is positive and significant at p value <0.05, while the labour productivity of companies bought by others but multinationals did not face significant changes. All in all, the belonging to a multinational enterprise explains more accurately the productivity gap than the foreign ownership does. Pfaffermayr and Belak (2000) explain that such a result is due to the advantages of multinationals: network economies, easier access to international markets through trade between subsidiaries and the subsidiaries and other companies form their host countries, the transfer of different advantages from one subsidiary to another. Piscitello and Rabbiosi (2005) continue the research over the Italian case and find that the origin of the foreign acquirers is also decisive to the change of labour productivity. Therefore when the acquiring company comes from the European Union, the increase in labour productivity is higher than in the case of US multinationals (the impact of distance). In what the cultural distance is concerned, the results showed relevant differences of the influence of this factor: the positive productivity change of companies originated in the European space, excluding the UK (p value < 0.01), is higher than the one of companies coming from the UK and the USA together (p value < 0.10). Even though the evidence shows that inward FDI of the type of mergers and acquisitions has a positive impact on the growth of labour productivity, policies continue to sustain preferentially greenfield investments because of the additional advantages that they bring: an increase in employment, new capital, new businesses, and the states can still control the national companies (because they would not be sold). Djankov, Hoekman (1999) noticed that, in the case of acquisitions, foreign companies prefer to invest in those firms that have a minimum productivity capacity, which is usually above the average one. The reason is that these firms will have higher productivity also after the acquisitions because the workers are familiar with more efficient technology, work division and fast rhythm which is obtained through scale economies. This type of acquisition is called “cherry picking” strategy. Opposite opinions we can find at Lichtenberg and Siegel (1992) who sustain that it is more profitable to increase productivity in a company that performs very weakly, therefore the mean is to buy companies with very low productivity. Djankov and Hoekman (1999) study shows how the total factor of productivity evolves, in the firms that receive foreign investment, and compared acquisitions with joint ventures. In the case of FDI the spillovers are more significant than in joint ventures. This means that parent firms transfer more technology (hard or soft) than partners do to their hosts.
The results are surprising because the investments are higher in the joint ventures’ case. The explanation should consist in the absorption capacity of the national partner that is different from one form of cooperation to another. In what other domestic companies are concerned, in the same industry where the foreign presence exists, the spillover is negative and statistically significant, if we take into consideration FDI and joint ventures as one category (Wilson and Neil 2014).

5. CONCLUSIONS AND RECOMMENDATIONS

The analysis above shows that the impact of FDI has attracted a lot of attention in all facets both in policy formulation, research work, discussions, etc. Some practitioners argue that foreign organizations or firms as expected do bring on board, superior productive knowledge. However, this knowledge can only be harnessed by the local firms through interactions as opposed to violent competition, and this will ultimately enhance their productivity. From the above, one can infer that FDI can also create direct and indirect employment opportunities within their host countries. The impact of FDI on labour productivity differs from one country to another. The main reason seems to be the different stages of economic developments. The more the economy is better developed, the more the country is ready to benefit from FDI. When creating policies, governments should have a clear image about the local companies’ capacity to face the competition of better prepared companies coming from abroad. Foreign investors bring a more evolved technology that allows them to have high productivity and produce more at lower costs and of better quality. If domestic companies do not fulfill the conditions to catch up with these performances, the losses could be dramatic. On the other side, the markets should not be opened to late either because the local companies must be acquainted with the international level of know-how and technology and they should learn to use competition in their advantage as soon as possible in order to become more and more productive. A key aspect, when aiming to appreciate the advantages and disadvantages that foreign direct investment brings to the local companies, is the appropriate choice of methodology and variables. Different types of studies should be taken into consideration before deciding whether its good or bad for a country to receive FDI. Policy makers must also take care of what type of investment it is better to promote: Greenfield investments, mergers and acquisitions or joint ventures. In the context of a healthy economic environment, countries can attain sustainable developed by increasing labour productivity through the assimilation of foreign technology and know-how from the foreign direct investment. The workforce becomes more qualified and able to produce more efficient. However, the detrimental position of labour in developing economies can thus be attributable in part to a deficient educational structure and an inefficient institutional setting, both domestic factors, rather than the mere presence of foreign capital (UNCTAD 2013). The quality of labour, therefore, is what states should focus on and use as an asset to attract FDI rather than offering cheap labour or fiscally unsound lower taxes as incentives to foreign capital. Any developing country resources should create efficient educational and vocational programmes and useful public bureaucracies to draw in foreign capital. It is therefore the policy context within which FDI occurs that determines whether it is going to work to the benefit of the developing economies or to their disadvantage.
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Collier, P. & A


ABSTRACT

Human capital is the most valuable asset of an organization. Given that human being does not consist of just flesh and blood and he has its own spiritual world, it is clear that any event which occurs in organization will be affecting his psychology in the positive or negative way and therefore this will influence the activities of organizations. Sometimes providing motivation may not be sufficient while dealing with some problems in organizations. In this study, some principles and rules are discussed for optimal use of human capital in an organization. In addition to increasing motivation, giving some responsibilities to employees, providing them to make constructive criticism and competition, fair distribution of tasks among them and using synergy’s power to reach goals are some rules for optimal use of human capital discussed in this study.

1. INTRODUCTION

The rapid change and development in information and technology force organizations to establish flexible organizational structures that means the ability to adapt changes and differences. This situation pushes organizations to create more dynamic structures and it affects strategies of human resources, operating modes, resource utilization, production processes and marketing style of organizations. These efforts of adaptation to environment are considered as following the trend of change (Brockbank, 1997:65). The reactions against changes and efforts of gaining specifications required by the conditions of today’s fierce competition have pushed organizations to focus on their own human capital. As widely known, core competency is a specific factor that a business sees as central to the way the company or its employees work (Hamel & Prahalad, 1990). Today, organizations consider their human resources as a significant type of core competence and by differentiating their human resource policies from other organizations they aim to expand into new end markets.

In today’s world, both for-profit and non-profit organizations pay attention to conduct their activities within the framework of appropriate policies. Policies help organizations to finish their activities in less time and by less cost. If it is an organization that aims to make profit, it gets the chance to have an advantage in competition. By this way it reaches its specific and general goals by less cost and in less time. Kwon and Rupp (2013) argue that firms that invest more in any human capital subjects (compared with those who do not) may stand to better mitigate the replacement costs of high-performer turnover, owing to the increased human capital. If it is a non-profit organization like non-governmental organizations, it can reach its target in less time.
The way to achieve this success is to use organization’s human capital in accordance with the requirements of the current time. Motivation is one of the ways of this and the method of increasing organizational performance by motivating employees is used frequently by modern organizations. It is possible to provide increase in efficiency in an organization by rewarding organization’s staff and this in turn provides increase in motivation level of personnel. In line with this idea, corporate social capital pertains to the possibility of identifying and developing more rewarding opportunities (Pennings et al., 1998). Although this is a desired situation by organizations, sometimes it is inevitable to experience internal problems and conflicts. For instance, sometimes it is not expected to look friendly for other employees to an employee who continuously wins awards. Or, unfair distribution of tasks and rewards may cause some personnel who are valuable to the organization to dislike organization.

Human capital and human resource literature forms the basic source of this study. During literature review, some individual and organizational problems faced by managers and researchers are observed in some studies. To overcome these troubles, some suggestions will be given by synthesizing personal experiences and previous studies.

Organizations have been seen that they may face different troubles about their human resources during different processes. For instance, manager’s repressive attitudes, favoritism, perceiving employees as robots, retention of unskilled manpower, award imbalances, stress, low morale and unmet expectations of employees can be cited among these problems.

It is possible to give more problematic examples related to human capital. This study investigates how human capital can be used optimally and how it can be a key factor in the success of organizations. Additionally, the study aims to reveal the ways of minimizing conflicts in organizations and find some practical solutions to reach organizational goals. After analyzing studies about human capital, this study has been intended to bring a new perspective to the literature by purposing relay race viewpoint, constructive criticism and competition, fair distribution of tasks and synergy as significant ways of optimal use of human capital.

For this purpose, literature review about human capital is given in the following section. Then, in order to explain some factors of optimal use of human capital and give some managerial clues to the practitioners, the flow of the study is organized for delineating relay race viewpoint, providing constructive criticism and competition, fair distribution of tasks and using the positive effect of synergy. Finally conclusion part is given in the last section of the paper.

2. LITERATURE SURVEY

2.1. Human Capital

Many organizations emphasize that resources must be used effectively to maximize efficiency and profit. The most important factor that will improve effectiveness of an organization is human. Therefore human is crucial for all parts of organizations and it is important to use that resource efficiently. In many human resource management studies, it is discussed that human is the most distinctive factor in the success of organizations.
Human is a physical, intellectual, emotional, social, political and spiritual being and he is the most sensitive one in the world to the changes and improvements (Rao, 1996).

Human capital means the sum of all human factors of organization’s staff like experience, ability, knowledge and skills (Edvinsson & Malone, 1997:34). Human capital is the individual-specific knowledge that each employee possesses (Bontis et. al., 2000). It is a value-added resource and it is created by each individual in the organization. Employees, the human capital of organizations, lease their time, efforts and capabilities to institutions in order to provide benefit for the organizations. Thus, human capital can generate sustained rents to the degree that it is specific to the originating firm and adjustment costs in a new environment prevent immediate expropriation by rivals (Hatch & Dyer, 2004). This benefit must be financial benefit especially for profit aimed organizations. Firms try to obtain appropriate human capital for themselves. If an individual leaves the organization, his human capital goes along with him. Therefore, as Kinney (1999:1) said, human capital can be gained and it is renewable.

Human capital is the most important asset of organizations and its importance is seen in every department from research-development to public relations. Human capital is not only the part of intellectual capital, but also its main source and sometimes it may be limiting factor of intellectual capital.

Instead of being a static asset, human capital is a dynamic factor that creates value when it is used effectively. According to traditional accounting approach human capital, the essential element of intellectual capital, is seen as goodwill. It is generally known that there is no difference between book value and market value of these concepts and they consist of invisible values.

Though human capital has been studied for many years and there are many definitions of it, there have been no serious attempts about accounting and reporting it in financial statements. Human capital is considered as the combination of labor factors like technical ability, learning ability, commitment, qualifications and the desire to share information. Providing, supporting and improving these factors must be among the organizational objectives.

Studies on human capital focus on two points. The first one is to make personal skills collective. Second one is to incorporate these collective skills and competencies into organizational capital. Human capital is divided into three basic features; skills, relations and values. Job related ability of staff is called as professional ability. The quality of an employee’s relationship with his colleagues is named as social skill and the success of his relationships with his external environment is known as commercial skill. Second basic feature, the relations, is focusing on the success of employees’ interactions and shares with his colleagues which are parts of social skill. Finally, values are related to having a same language and a common organizational culture among employees who work in the same institution (Arıkboğa, 2003:87-88).

Skilled human capital generally means trained employees. Well trained human resources are expected to result in more productive human capital (Hitt et al., 2001). Therefore training expenditures will serve as investment in human capital for organizations. However training sometimes may not be needed in some areas.
For jobs that require simple manual labor, switching to automation can be more profitable. Even if some routine and low-skilled jobs are done manually, they do not add value to human capital. This means a waste of capital (Stewart, 1997:94). In an organization, if employees address their time and talents mostly to innovation-generating activities, it can be said that this organization uses its human capital effectively.

Human capital in organizations is more than the sum of employees’ abilities and capabilities. Human capital consists of information gained by individuals and personnel networks that cover organization. Skaggs and Youndt (2004) argue that organizations employ higher levels of human capital in order to deal with the heightened information flows within and outside the organization. In today’s world, organizations that have knowledge and provide their human resources to use this knowledge are observed that their level of productivity, profitability and market value are higher than other organizations (Şamiloğlu, 2002: 86). Firm-specific human capital is a resource for knowledge creation through learning by doing (Hitt et al., 2001) and learning by making practice is believed to increase quality of human capita. Firms that consistently outperform their rivals through management of learning sustain their cost advantage over the long term (Dyer and Hatch, 2003).

Organizations should take into account knowledge, skill, capacity, flexibility, capability and the success of human resources in order to fulfill the tasks that serve the purpose of organization (Edvinsson & Malone, 1997; Wright & McMahon, 1992). Human that take part in the production processes was configured as a form of capital in former economies. Many theoretical and empirical studies concentrate on the leading organizations that provide economic benefits by investing in human (Sweetland, 1996). Human skills are classified under the name of physical assets by relating the output efficiency of employees in organizations. In addition to economic costs of employees, a direct relationship between educational level and work experience of employees has also been studied in the literature for a long time (Wright & McMahon, 1992).

Hiring talented people was important previously, today, organizations making research on the effective use of human resources have discovered flexible and intangible combination of human capital. Human in a company enhances the operational activity of tangible assets and activates intangible assets (J. Fitz-enz, 2001). Increasing employees’ capabilities has a direct impact on the financial results of the companies (Becker et al., 2001).

Barney (1991) endorses the effective use of human capital that is a source of sustainable competitive advantage. The study of Barney (1995) recapitulated the importance of the combination of tangible and intangible resources which have a complicated structure from both individual and social perspective and they are not generally homogeneous in different organizations. This point of view is supported by studies of Finkelstein and Hambrick (1996) that show the importance of human factor in organizational performance and strategic choices. To achieve competitive advantage in an organization, studies should be conducted on the combination of flexible human resource activities and skills of employees. In the context of professional services, skilled human capital has been identified as the fundamental resource of organizations (Erramilli & Rao, 1993; von Nordenflycht, 2010).
The competitive advantage which involves interaction and complex structure of people and which is based on the success of human capital is harder to gain than the competitive advantage that is taken by physical and financial capital (Teece, 1998).

In the theory of human capital which is basically supported by the Becker (1964), there is no difference between focusing on human capital, in particular tangible and intangible dimensions of it, and resource-based perspective of the organization. The effect of tangible human capital on organizations is seen in return rates of investments that are in the development process. At the same time, it is a research on preventing transfer of skills from an organization to another organization and determination of relationship between future productivity and labor cost. On the other hand, intangible aspect of human provides achieving competitive strategy that is improved by acquisition and sharing of knowledge (Barney, 1991; Hamel & Prahalad, 1990).

In order to encourage creativeness in the organization, rewarding systems should take into consideration individual performance levels and employee’s openness to sharing information with others. Nowadays, in order to attract qualified people, in addition to providing employees with salary and bonus, investors behave their staff as shareholders of the organization to make them focus on their job and to encourage them working as a team for the success of organization (www.arge.com/default.aspx?mn, 21.02.2014).

The contribution of human capital to organization’s performance is seen in flexible integration of organization’s staff and experts with human resources having capacity, skills and technical knowledge (Edvinsson & Malone, 1997). Human capital does not belong to organizations. However when an organization hires an employee, human capital that is created by retaining and improving employees affects the organization-specific conversion costs. Asset outflow for employees is considered as the cost of investment instead of considering expenditure. In today’s world, some large-scale organizations focus on internal value of each employee. At the same time, increase in value of the human capital may strongly affect the decision of internalized employment (Lepak & Snell, 1999).

Lepak and Snell (1999), by attributing to the resource-based view of the organizations, recommend retaining qualified human capital that creates value to organizations that make use of market opportunities, neutralize potential threats, enhance efficiency and productivity and allow development of strategy. Human capital is the opportunity value of an organization that wants to achieve competitive advantage. For this reason, some features related to human capital like expertise and skills are among the most important sources of organizations. If a firm can successfully make the combination of these intangible features with financial resources, it is inevitable for that firm to increase its performance.

In 2003, the study which was conducted by Mercer on 200 senior executive showed that 92% of them believe that human capital management greatly affects customer satisfaction, 82% of them also believe that it affects profitability positively and 72% believe that it fosters new product development and invention (Mercer, 2003).

There is a relationship between the corporate world and human resource management that provides to achieve competitive advantage. Human resource management follows a new consistent strategy in employee relations (Legge, 1995).
Forcing employee’s limited capacity to maximize profits and increase efficiency will transform the employees to producer robots that serve exploitation system or it will transform them to unproductive assets. Low productivity, low quality, stress, breaching of promise, lack of motivation, fighting and some bad words will create a negative atmosphere in the organization. Traditional management approach in an oppressive manner is not suitable for today's business world. If today's employees feel that they are exploited by managers, they sometimes behave negatively against their managers and organizations. Going even further, they will initiate reaction and embark upon to struggle. A research study showed that both aggressive and reckless behaviors were the resultant reactions against oppressive leaders (Luthans, 2007).

In addition to improving quality of products, managers and leaders of organizations have to be more sensitive in fostering employees’ initiative. Today, if an organization wishes to achieve competitive advantage, it should give importance to the development of human resource which is a crucial factor in creating skilled, more producing and adaptable workforce (Porter & Jenkins, 1996). Even though a very positive work climate is created by organizations, due to low levels of motivation and job dissatisfaction, a performance under the average job satisfaction levels and unbalanced distribution of rewards have been observed in some organizations. In today's business environment, increasing motivation and providing job satisfaction are among the most important tasks of organizations. Some factors which are must be integrated into organizational processes like caring about employee health, establishment of the evaluation centers, flexible reward systems, bonus plans, goal-oriented performance appraisals and flexible working programs play crucial role in the success of today’s organizations. Besides, the issues described below will be helping the organizations to execute organizational policies efficiently (Hiltrop, 1996).

3. OPTIMAL USE OF HUMAN CAPITAL

Because effective use of all resources is extremely important for organizations, taking into consideration that just human manages all other resources, organizational activities should be organized according to the human psychology. In this part, suggestions related to individual and team psychology will be covered. In order to increase effectiveness of human capital, relay race viewpoint, constructive criticism and competition, fair distribution of tasks and synergy are recommended as optimal usage factors in this study.

3.1. Relay Race Viewpoint

In the business world experiencing intense competition, any organization that wants to achieve its objectives must take advantage of all experts and wise people. To increase profit, some modern organizations use various tools like using technological innovations, adapting to a variety of management models developed by management units, giving importance to education expenditures and costs etc.

It is known that competition in many areas generally leads to improvement of quality. This competition is for the benefit of both organization and groups who demand goods and services. However, there are some negative aspects of competition because there are always higher positions and there are candidates of these positions in organizations.
Those who cannot be shared, like positions or resources, sometimes create vital problems in organizations.

If there are many candidates to the higher positions in an organization, experiencing conflicts may be inevitable. In such case, the important task of administration is to assign employees who have the most appropriate criteria with a fair selection process. Besides, expressing all employees that this process is a relay race will be preventing internal conflicts. Regardless of whoever is assigned to a position, the executive selection policy developed by top managers must satisfy all staff. In other words, every qualified person that could not be assigned to higher positions must be made to believe that assigned person will do the job better than him and others. The idea of helping others may arise in the organization in case everybody knows these positions will not be possessed by assigned persons forever, this is a relay race and the most important thing is the future success of the organization. To conclude, main focus must be on the rules and principles instead of individuals especially in selection process.

3.2. Constructive Criticism and Competition

Criticizing others is one of the easiest jobs of life. People that criticize destructively damage themselves, their environment and their organizations. However qualified people’s criticism about the area of their expertise is supposed to be constructive in the organization. Criticism that aims to carry out activities in a better way can be described as constructive criticism. While interpreting and assessing the mistakes of employees in organizations, managers should take into consideration fairness and it must be known that everybody makes mistakes.

Constructive criticism is a gift to human being. Because everybody loves oneself, he cannot see his own mistakes; even he sees, he comments in his favor. If someone does not show his mistakes him in an appropriate manner, chain of mistakes chases each other. Warning the person who has a “scorpion” (means mistake) on his neck is a humanitarian duty. Being indifferent to mistakes can cost vital mistakes in the future. Related to this subject, there is a proverb of “smash snake’s head when it is young”, which is often used among Turkish people. It means to stop something at an early stage. Therefore human beings should see constructive criticism as a gift when they are warned in case of making mistake.

Tolerating criticism is must-have item of working life. People should welcome criticisms as they welcome to compliments. Individuals and organizations operating with this awareness are closer to achieving success. However, the task of expressing employee’s mistakes to them should be assigned to the managers who are responsible for these employees.

If an organization is compared to human body, each element is engaged in fulfilling the task assigned to it, like in body organs. As it is known, a man's hand does not compete with the other hand, one of the eyes does not criticize the other one, the tongue does not object to ear, the heart does not see the shame of soul and besides, they complement each other’s shortcomings and defects, they help others to meet needs and to fulfill tasks, otherwise that person’s life darkens, his soul suffers and also the body becomes damaged due to psychological problems.
Likewise, the cogwheel of a factory does not compete with others and it doesn’t prevent others work and also it does not make negative criticism when it sees others fault. On the contrary, with their all abilities, they help others to achieve general goals. With a true alliance and solidarity, they all together achieve the objectives of organization (Nursi, 1985).

If organizations are compared to human or a factory, each cell of the human eventually is important for people to have a healthy life and likewise each bolt of factory is crucial in trouble-free operation of the factory. Likewise, helping by stronger hand owners those who are carrying a very heavy burden on their shoulders provides increase in job satisfaction of burden carrier’s.

To summarize, criticism must have a function that reaches employees and organizations their goals as petrol help the car to reach its target. Likewise, competition among employees should be in favor of organization.

3.3. Fair Distribution of Tasks

Employees’ competence, expertise and honesty mostly depends on fair implementation of recruitment, wage, performance appraisal, promotion and education policies in the organization (Güredin, 2007:325).

To achieve goals, organizations need to employ employees with regard to the necessary qualities that human resources needed. Recruitment regarding just sake or feelings and employing people in their non-expertise areas can cause non-optimal use of qualified human capital and delay in achieving the objectives of the organization.

Human resource planning specialists should determine the required quality of human resources for each unit and they should employ according to this determination. Assignment of organization’s qualified human capital in accordance with this planning and ensuring employees that they will continue their mission as they show high performance will lead to specialization in the business because of constantly doing the same job. For instance, within normal working hours, while previously producing a product in 1 hour, perhaps this production-time will be reduced to 48 minutes and while producing 8 products in daily 8-hour running time, in such case 10 products will be produced. The organizations, regardless of using per piece wage system or time-saving wage system, will be providing financial and non-financial benefits because increase of production will reduce labor costs per unit. Reduction in unit costs will make organization achieve competitive advantage against its competitors especially that produce goods and services in the same sector. Achieving competitive advantage will provide increase of sales and therefore increase in profitability. Given that the main objectives of the organizations are profitability and sustaining organizational life, organizations will eventually reach these goals by this way.

Another important issue is the fair distribution of tasks. Being sensitive on this issue by managers will increase employees’ sense of confidence against managers. This will be minimizing potential conflicts that may arise within the organization.
3.4. Synergy

Organizations should benefit from the idea of employees to provide high financial rate of return from financial and physical resources. In human resource practices, with the integration of complementary and talented employees, an organization that is difficult to imitate can use these integrated resources for achieving competitive advantage (Barney, 1995). Employees' useful skills and capacities provide an increase in value of human capital and therefore this provides meeting demands of unexpected environmental changes. As a result of this harmonization process, organization which has limited value will create its own internal values (Pennings & Witteloostuijn, 1998). Consequently, organization-specific human capital will subsequently make a positive impact on organizational and individual performance.

Synergy is when the result is greater than the sum of the parts. It is created when things work in concert together to create an outcome that is in some way of more value than the total of what the individual inputs is (http://ergonomics.about.com/od/glossary/g/defsynergy.htm, 01.03.2014). This can be explained by a simple mathematical formula;

3 x 1 = 3

If three 1’s cooperate with true alliance and solidarity in goals, synergy occurred by coming side by side will make three different 1’s 111, which is one hundred and eleven (Nursi, 1985:161). If synergy becomes a part of the culture of organizations, this increasing power can be gained.

Another factor that will help to create synergistic power is creating family environment for employees of the organization. It can be said that if there is solidarity among members of the family, family ties are expected to be strong. If organization is compared to a family, sustaining organization’s life and providing profitability depend on the solidarity of employees. Managers should not left alone employees in their happy and sad moments. In order to achieve success in this subject, a clear network of communication among employees should be established and maintained.

By encouraging entrepreneurship and innovation, human resource managers aiming to obtain maximum efficiency from human capital should develop systems which will enable employees to improve their knowledge and information sharing capabilities within the organization. Thus, with the help of instruments like organizational culture, organizational climate and organizational commitment, the integration of individual and organization should be provided (Şamiloğlu, 2002:106 - 107).

Teamwork is extremely important in total quality management. Team working provides significant benefits in enhancing organizational performance. First of all, it is possible to diagnose and solve organizational problems accurately by teamwork. At the same time, teamwork is one of the most effective ways of making employees to participate in management of organization. By the help of teamwork, it is possible to provide information flow and accurate communication in the organization. Besides, it is extremely important in gaining stronger energy, achieving synergy, discovering innovation and invention in the organization (Aktan, 1999).
Synergistic management means the usage of production factors as a whole and conversion of them to a common energy for high-performance. More clearly, utilizing all resources such as leadership system, hardware, human etc. is required for providing synergy effect in order to achieve organizational goals.

Synergistic management focuses on the importance of communication and interaction between the functions of organization. Likewise, in organizations, maintaining close communication between design, production, sales and research functions can reveal synergy effect. This causes increase in quality, efficiency, productivity, profitability, faster product development etc. in the organization. For instance, if engineers working in R & D department and persons in charge in manufacturing, sales and marketing processes take part in the same team work, it may bring up new ideas and practices that affect the success of the organization. Edwards W. Deming, one of the founders of new management philosophy, focused on the importance of continuous exchange and interaction between research, design, production and sales departments to make production according to customer expectations. According to Deming, it is important to focus on all functions instead of focusing on a single function and also it is crucial to increase the level of communication and interaction between these functions (www.biriyilik.com › İktisat İşletme ve Ekonomi, 19.02.2014).

If teamwork is not organized well and applied effectively, some problems may emerge and even existing problems may be worsen in the organization. When teamwork is not ruled properly, the problem of exclusion of some group members may arise. In addition, some of the group members may cause organization to lose ability to analyze and to lose flexibility by welcoming to all negative situations. Additionally, while some groups are working a lot, if some others are working less than them, it generally causes conflicts.

4. CONCLUSION

Modern management approach focuses on increasing employees’ motivation and theories of personal needs in order to investigate the reasons that direct members to work effectively. Human capital consists of both tangible and intangible aspects of human resources. The physical appearance of an organization’s human capital is related with only recruitment and selection process and labor hiring process. The most important aspect of human capital is the intangible aspect of it. Retention of qualified human capital in the long-term depends on creating politics that give importance to spiritual and intangible aspect of human. As long as this is provided, it can be said that employees of the organization will not only be human beings who are working in the organization just for salary but also they will behave as the owners of the organization and they will focus on the organization’s objectives.

This will provide the organization high morale and motivation as well as increase in productivity. As a result of these, the market value of both organization and individual will certainly increase.

This study focuses on how human capital can be used optimally and how it can be a key factor in the success of organizations. Relay race viewpoint, constructive criticism and competition, fair distribution of tasks and synergy are discussed as a rule for increasing the quality of human capital of organizations.
These four key factors were evaluated from the perspectives of different human capital literature instruments. Thus this study is the first that stresses on optimal use of human capital in an organization.

In interpreting the results of this study, it is important to keep several issues in mind. First, in addition to literature, self-reports have been used to assess human capital factors. Different practitioners may reach different results because of different personal experiences and perspectives. Although the study provides a number of contributions, one should not overgeneralize its findings. Second, because this study is limited to only author’s perspectives and previous literature, an experimental study can give more precise results. Therefore results of this study require a strong confirmation process and empirical applications. It seems important to inquire about other factors that foster optimal use of human capital for future research. For instance, human capital selection, employee training, organizational culture or carrier options etc. can be handled as some other titles for the next studies.

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THE EFFECTS OF MARKET ORIENTATION ON BUSINESS PERFORMANCE:
AN EMPIRICAL RESEARCH ON TRAVEL AGENCIES LOCATED IN ISTANBUL

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M19, M37, M39

ABSTRACT
This study aims to determine the market orientation levels of the travel agencies located in Istanbul and to examine the effect of market orientation upon performance of business. The sample of research is 92 agencies chosen by convenience sampling method. The data obtained from the research is analyzed through statistical methods. The findings indicate that customer orientation and collecting market data which are the dimensions of market orientation have significant explanatory on employee performance, financial performance and market performance considered as the dimensions of business performance. Also, the positive directional & strong relationship between dimensions of market orientation and business performance is observed.

PAZAR YÖNLÜLÜĞÜN İŞLETME PERFORMANSI ÜZERİNDEKİ ETKİSİ:
İSTANBUL'DA YERLEŞİK SEYAHAT ACENTALARI ÜZERINE AMPİRİK BİR ARAŞTIRMA

Anahtar Kelimeler
Pazar yönlülük, işletme performansı, seyahat Acentası, turizm, İstanbul.

ÖZET
1. GİRİŞ

Küresel rekabetten en fazla etkilenen endüstrilerden biri de turizm endüstrisi olmuştur. Nitelikle uluslararası turizm faaliyetlerine katılan kişi sayısı her geçen yıl artmaktadır. Öyle ki 2013 yılı itibariyle uluslararası seyahatlere katılan kişi sayısının 1 Milyarı aştığı görülmektedir (WTO, 2013).

Söz konusu faaliyetlere katılan bireylere yönelik ulaşım, konaklama, yeme-içme, eğlence ve diğer destekleyici hizmetleri sunan turizm işletmeleri arasındaki rekabet de aynı oranda artmaktadır. Turizm endüstrisindeki bu rekabetin, turist kabul eden ülkelere yaptığı olumlu ekonomik ve sosyo-kültürel katkılar (Karaman ve Avcıkurt, 2007; Avcıkurt, 2009; Roney, 2011) nedeniyle destinasyonlar arasında da甦erşettiğini ifade etmek gerekir.


Değişime uyum sağlayabilmek adına reaktif davranış göstermek uzun vadede seyahat işletmeleri açısından yeterli olmazaktadır. Şiddetlenen rekabet ortamında başarı ile mücadele edebilmeleri için temelinde proaktif düşünceyi esas alan stratejik düşünceyenin seyahat işletmeleri tarafından benimsenmesi ve hızla düşünce iç ve dış çevre değişkenlerine duyarlı bir organizasyon yapısına sahip olmaları gerekliğini aşmaktadır. Söz konusu tüm bu değişim ve dönüşüm sürecine seyahat işletmelerinin uyum sağlaması kolaylaştıracak ve cevap vermesini sağlayacak bir örgüt yapısı olarak pazar yönlülü stratejik bir üstünkülük sağlayacak örgüt kültürü olarak karşımıza çıkmaktadır. Şüphesiz müşteri ihtiyaç ve isteklerine hızla cevap veren bir yapı seyahat işletmelerinin performanslarını da artıracaktır.

Modern pazarlama yaklaşımı işletmeler tarafından benimsenmesi ve uygulanması olarak ifade edilen pazar yönelülük, dünyada işletmeler tarafından kabul görmüş yaygın bir pazarlama anlayışı olarak karşımıza çıkmaktadır. İşletmelerin hem iç hem de dış çevresine üst düzeyde duyarlı olmasını gerektiren bir yaklaşım olan pazar yönelülük yaklaşımı; işletmelerin dış çevresinde büyük ilgi elde etmesiyle başlayarak, elde ettikleri bilgi çerçevesinde işletme fonksiyonlarına yön verdikleri ve nihayetinde müşteri istek ve beklenmelerine uygun mal ve hizmet değerlendirme sonucu bir yaklaşım olarak değerlendirilmektedir. Bu araştırımda, İstanbul’da faaliyet gösteren seyahat acentalarının pazar yönelülük düzeyleri belirlenmeye çalışılmış, bunun yanında pazar yönelülüğün işletme performansı üzerindeki etkileri de yapılan alan araştırması ile incelenmiştir.
Makalenin takip eden bölümünde literatür taraması yapılmaktadır. Literatür bölümünde ilk olarak pazar yönlülük kavramı detaylı olarak ele alınmış ve bilgili kronolojik olarak sistematis bir biçimde aktarılmıştır. İkinci olarak ise Pazar yönlüğünün işletme performansı üzerindeki etkileri değerlendirilmiştir. Literatür taramasında sonra, araştırmının amacının, araştırma için oluşturulan ölçegenin, araştırma evren ve örneklemünün detaylı bir şekilde anlatıldığı metodoloji bölümü ele alınmaktadır.

Metodoloji bölümünden sonra SPSS programı ile elde edilen verilere ilişkin bulgular ve bu bulguların yorumlandığı bölüm yer almaktadır. Son olarak ise, çalışma neticesinde elde edilen sonuçların değerlendirildiği sonuç bölümü yer almaktadır.

2. LİTERATÜR TARAMASI VE HİPOTEZLER

2.1. Pazar Yönlülüğ


Pazar yönelülük kavramının geniş bir anlam ifade etmesi esasında kavramın çok farklı yönlerden ele alınmasının bir sonucu olarak ortaya çıkmıştır. Nitekim pazar yönelülüğe ilişkin yapılan tanımlamaların araştırıcıların pazar yönelülüğe bakış açılarına göre
şekillendiği görülmektedir. Örneğin pazar yönlülük kavramına karar verme perspektifinden bakan Shapiro (1988)'ya göre pazar yönlülük, bilginin elde edilmesi, işlenmesi ve paylaşılmalarını da kapsayan bir örgütsel karar verme sürecidir.

Pazar yönlülüğü davranışsal olarak ele alan Kohli ve Jaworski (1990)'ye göre pazar yönlülük, mevcut ve gelecekteki müşteriler ihtiyaç ve isteklerine yönelik pazar bilgisinin toplanması, bu bilginin işletme içindeki departmanlara yayılması ve söz konusu ihtiyaçlara örgütün genelinde bir cevap üretmesidir. Kohli ve Jaworski (1990)'nin tanımlanmasını incelendiğinde, pazar bilgisi toplama yaklaşımı olarak da adlandırılan yaklaşımların üç temel bileşenini içerdiği görülmektedir. Bunlar, (a) pazar bilgisinin toplanması, (b) bilginin işletme içine yayılması ve (c) pazar cevap üretme boyutudur.

Pazar yönlülüğü ile ilgili bir diğer önemli bakış açısını geliştiren Narver ve Slater (1990) ise pazar yönlülüğün bir örgüt kültürü olduğunu ifade etmektedir. Narver ve Slater (1990) pazar yönlülüğü, müşteriler için üstün nitelikli bir değer yaratmak, bunun yanında yüksek işletme performansının devamını sağlamak üzere gerekli olan etkin ve verimli işletme davranışlarını oluşturun örgüt kültüründe tanımlamaktadır. Ayrıca Narver ve Slater (1990), pazar yönlülüğün 3 temel davranışsal bileşeninden meydana geldiği belirtmektedir. Araştırmaçılara, bu bileşenlerin (a) müşteri yönlülük, (b) rakip yönlülük ve (c) fonksiyonlar arası koordinasyonu olduğunu ifade etmektedir. Buna ilaveten Narver ve Slater (1990), pazar yönlülüğü uzun vadeli odaklanma ve karlılık olmak üzere iki temel karar kriterinin olduğunu bulmuştur.


2.2. Pazar Yönlülük ve İşletme Performansı


Her ne kadar, pazar yönlülük ile ilgili olarak yapılan ilk araştırmalar gelişmiş ülkelerde gerçekleştirilmiş olsa da, sonrasıları pek çok farklı ülkede yapılan alan araştırmalarıyla pazar yönlülük ve işletme performansı arasındaki ilişkinin evrenselliği test edilmeye çalışılmıştır (Greenley, 1995; Athuahene-Gima, 1995; Caruana ve diğ., 1995; Appiah-Adu, 1997;...

**Tablo 1: Araştırmalarla ilişkisi:**

<table>
<thead>
<tr>
<th>Çalışma</th>
<th>Yapıldığı Ülke</th>
<th>Örneklem</th>
<th>Pazar Yönlülük Yaklaşımı</th>
<th>Araştırma Bulguları</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athuahene-Gima</td>
<td>Avustralya</td>
<td>275 İşletme</td>
<td>Ruekert</td>
<td>Yeni ürün performansı (+)</td>
</tr>
<tr>
<td>(1995)</td>
<td></td>
<td></td>
<td></td>
<td>Proje Performansı (+)</td>
</tr>
<tr>
<td>Avlonitis ve Gounaris (1997)</td>
<td>Yunanistan</td>
<td>İki Örneklem: 162 ve 236 işletme</td>
<td>Kohli ve Jaworski</td>
<td>Rakiplere göre performans (+)</td>
</tr>
<tr>
<td>Avlonitis ve diğ. (1992)</td>
<td>Yunanistan</td>
<td>381 İşletme</td>
<td>Kohli ve Jaworski; Narver ve Slater</td>
<td>İşletme Karlılığı (+)</td>
</tr>
<tr>
<td>Au ve Tse (1995)</td>
<td>Hong Kong ve Yeni Zelanda</td>
<td>69 (HK) ve 250 (YZ) Otel İşletmesi</td>
<td>Çalışmaya Özgü</td>
<td>Hong Kong Otelleri Doluluk Oranı (+)</td>
</tr>
<tr>
<td>Balakrishnan (1996)</td>
<td>ABD</td>
<td>139 İşletme</td>
<td>Kohli ve Jaworski</td>
<td>Yeni müşteri elde etme (+)</td>
</tr>
<tr>
<td>Bhüian (1997)</td>
<td>Suudi Arabistan</td>
<td>92 Banka</td>
<td>Kohli ve Jaworski</td>
<td>Özkaynak Karlılığı ve Yatırım Karlılığı (+)</td>
</tr>
<tr>
<td>Breman ve Dalgic (1998)</td>
<td>Hollanda</td>
<td>105 İhracatçı Firma</td>
<td>Kohli ve Jaworski</td>
<td>Rakiplere göre performans (+)</td>
</tr>
<tr>
<td>Cadogan ve Diamantopoulos (1999)</td>
<td>İngiltere</td>
<td>48 İhracatçı Firma</td>
<td>Narver ve Slater</td>
<td>Subjektif işletme performansı (+)</td>
</tr>
<tr>
<td>Cadogan ve diğ. (1997)</td>
<td>İngiltere ve Hollanda</td>
<td>İki Örneklem: 198 ve 103 işletme</td>
<td>Kohli ve Jaworski</td>
<td>Müşteri memnuniyeti (+) Genel Performans (+)</td>
</tr>
<tr>
<td>Caruana ve diğ. (1997)</td>
<td>Avustralya</td>
<td>134 Kamu kurumu departmani</td>
<td>Kohli ve Jaworski</td>
<td>Örgütsel bağlılık (+)</td>
</tr>
<tr>
<td>Desphande ve Farley (1998)</td>
<td>ABD ve Avrupa</td>
<td>82 İşletme</td>
<td>Kohli ve Jaworski; Narver ve Slater; Desphande vd.</td>
<td>Subjektif performans değerlendirilmesi (+)</td>
</tr>
<tr>
<td>Desphande ve diğ. (1993)</td>
<td>Japonya</td>
<td>50 İşletme</td>
<td>Kohli ve Jaworski; Narver ve Slater</td>
<td>Karlılık, büyüklük, pazar payi, büyüme oranları [Müşteri değerlendirimediler (+), Yöneticilerin değerlendirilmesi (İlişki Yok)]</td>
</tr>
<tr>
<td>Diamantpoulous ve İngiltere (1999)</td>
<td>86 İşletme</td>
<td>Kohli ve</td>
<td>Endüstriye göre işletme</td>
<td></td>
</tr>
</tbody>
</table>


H1: Pazar yönelimi boyutları ve iş performansı boyutları arasında pozitif bir ilişki vardır

H2: Pazar yönelilik seyahat acentelerinin performansı etkiler

3. METODOLOJİ

Bu araştırmanın amacı, turizm endüstrisinin önemli işletmelerinden birisi olan seyahat acentalarının pazar yönelülüğü düzeylerini belirlemek ve pazar yönelülüğün seyahat acentalarının performansını üzerindeki etkisini incelemektir.

Araştırımda veri toplama aracı olarak anketten yar arlanmıştır. Anket formunun birinci, ikinci ve üçüncü bölümünde Likert ölçeğine göre düzenlenen ifadeler yer almaktadır. Anketin birinci, ikinci ve üçüncü bölümünde yer alan ve Likert ölçeğine göre düzenlenmiş ifadeler en olumsuzdan (1-Kesinlikle Katılmıyorum), en olumluya (5-Kesinlikle Katılıyorum) doğru derecelendirilmiştir.


Araştırmadan elde edilen veriler paket program yoluyla istatistiksel yöntemlerle analize tabi tutulmuştur. Elde edilen bulgular aşağıda aktarılmıştır.

4. BULGULAR

Araştırmadaki veri alınan seyahat acentalarının önemli bir bölümü (57; %62,0) franchising anlaşmalı acentalar oluşturmaktadır. Bununla birlikte acentaların yanında fazlasının 10 yıldan daha az bir süredir faaliyet gösterdikleri görülmektedir (%76,1). Bu durum İstanbul’un da faaliyet gösteren acentaların çok köklü bir geçmişe sahip olmadıklarını göstermektedir. Bu durum işletme içinde oturmuş bir örgüt kültürüne henüz henüz contentedemediği şeklinde de değerlendirilebilir. 

Araştırma değişkenlerine ilişkin aritmetik ortlamalar incelendiğinde, gerek pazar yönelimli boyutları gerekse işletme performansı boyuttarda yüksek bir katılımın olmadığı göz çarpmaktadır. Nitekim 5 boyutun tamamında aritmetik ortlamalar orta değer olan 3'e çok yakındır. Özellikle müşteri yöneliktir gibi acenlar açısından diğer 4 boyutun durumları oldukça iyi durumdadır. Aynı zamanda bu boyutların factor analizinde açıklanması durumunda % 27,36 oranında bir varyans neticesinde müşteri yöneliktir boyutun diğer 4 boyutunun % 75,47 varyans neticesinde çıkarıldığı gözlemektedir. Anahtar (3,2895) bir temayıda acentaların iyi durumda olmadığı ifade edildiğinde bu varyans neticesinde müşterisi yöneliktir acenin % 27,36 varyans neticesinde çıkarıldığı gözlemektedir.

Tablo 2: Pazar Yönlü ve İşletme Performansı Ölçeğine İlişkin Faktör Analizi Sonuçları

<table>
<thead>
<tr>
<th>Faktör Boyutları</th>
<th>Özdeğer</th>
<th>Açıklanan Varyans</th>
<th>Aritmetik Ortalama</th>
<th>Cronbach Alfa</th>
<th>Faktör Yükü</th>
</tr>
</thead>
<tbody>
<tr>
<td>Müşteri Yönlülük</td>
<td>8,482</td>
<td>27,360</td>
<td>3,2895</td>
<td>0,965</td>
<td>0,792</td>
</tr>
<tr>
<td>Müşterilerimizin değişik ihtiyaç ve istekleri acentamızı yeni ürün ve hizmetler geliştirmek için teşvik eder.</td>
<td>798</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Müşterilerimiz ve pazarlardan ilgilili bilgiler, acenta içinde hızlı bir şekilde iletilir.</td>
<td>780</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Müşterilerimizin hizmet kalitesinden memnuniyet acompaña ilişkin bilgi aldığımızda, düzeltici önlemler alırız.</td>
<td>768</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acentamızda müşteri şikayetlerine gerekten önem verilmektedir.</td>
<td>767</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Misafirlerimizin hizmetlerimizde ilgili küçük değişiklikler yapma mizde istediklerinde, ilgili bölümlerimiz bunu yapma için yoğun çaba gösterirler.</td>
<td>765</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Müşterilerimizin gelecekte ihtiyaç duyabileceği hizmetleri tespit etmek için onlardan bilgi alırız.</td>
<td>755</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acentamızdaki tüm çalışanlar, müşterilerimize daha iyi hizmet verebilmek için onlarla yakın ilişki kururlar.</td>
<td>738</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acentamızda sunulan hizmetin kalitesini değerlendirmek için misafirlerimizle sürekli görüşürüz.</td>
<td>682</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acentamızda müşteri ihtiyaç ve isteklerine uygun ürün ve hizmet sunabilmek için sık sık</td>
<td>654</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
toplantılar yaparız.

Ekonomik, sosyal, teknolojik, politik vb. alanlardaki değişimlerin, müşterilerimiz üzerindeki olası etkilerini incelemeye çalışırız.

Pazar araştırmalarının çoğunu müşterilerimiz üzerinde yaparız.

Turizm endüstrisinde meydana gelen değişimlere uyum sağlamaya yönelik planlar hazırlamak için düzenli toplantılar yaparız.

Rakiplerimizden biri, müşterilerimizi hedef alan bir kampanya başlatırsa, biz de hemen karşılık veririz.

Pazar Bilgisinin Toplanması

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4,274</td>
<td>13,788</td>
<td>3,1426</td>
<td>0,856</td>
</tr>
</tbody>
</table>

Turizm endüstrisinde yaşanan gelişmeleri değerlendirmek için haftada en az bir kere toplanır.

Acentamızı etkileyebilecek genel sosyal eğilimlere (Örn: Çevre Bilinci, Yaşam Tarzı vb.) ilişkin bilgi toplarız.

Ülkenin makro ekonomisi ile ilgili verileri (GSMH, faiz oranları, büyüme oranı, enflasyon oranları, döviz kurları vb.) düzenli olarak toplar ve değerlendiririz.

Turizm Endüstrisi ile ilgili bilgi toplamak ve değerlendirme için Kültür ve Turizm Bakanlığı, İl Turizm Müdürlüğü, TÜRSAB, Valilik, Emniyet Müdürlüğü gibi resmi kurumlarla sürekli temas halindeyiz.

Acentamızda pazar eğilim ve gelişmelerini değerlendirmek için sürekli olarak toplantılar yaparız.

Çalışan Performansı

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4,250</td>
<td>13,710</td>
<td>3,3952</td>
<td>0,941</td>
</tr>
</tbody>
</table>

Nitelikli çalışanların acentada tutabilme becerisi

Nitelikli çalışanların acentaya çekebilme becerisi

Çalışanların iş tatmini

Yönetim ve çalışanlar arasındaki ilişkiler

Çalışanların işe devam durumları

Finansal Performans

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3,915</td>
<td>12,630</td>
<td>3,0399</td>
<td>0,921</td>
</tr>
</tbody>
</table>

Acenta kârındaki artış

Net kar marjınız (net kar/net satışlar x 100)

Acenta gelirlerindeki artış

Genel olarak finansal performans

Pazar Performansı

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2,474</td>
<td>7,981</td>
<td>3,1842</td>
<td>0,858</td>
</tr>
</tbody>
</table>

Pazar payındaki artış

Başarılı yeni paket turlar geliştirmeye

Satışlardaki artış


Tablo 3: Pazar Yönlülük ve İşletme Performansı Boyutlarına İlişkin Korelasyon Analizi Sonuçları

<table>
<thead>
<tr>
<th>Değişkenler</th>
<th>Art. Ortalaması</th>
<th>Std. Sapma</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Müşteri Yönlülük</td>
<td>3,2895</td>
<td>1,13699</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Pazar Bilgisinin Toplanması</td>
<td>3,1426</td>
<td>.97269</td>
<td>.749(**)</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Çalışan Performansı</td>
<td>3,3952</td>
<td>1,13902</td>
<td>.714(**)</td>
<td>.599(**)</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) Finansal Performansı</td>
<td>3,0399</td>
<td>.96021</td>
<td>.614(**)</td>
<td>.467(**)</td>
<td>.608(**)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>(5) Pazar Performansı</td>
<td>3,1842</td>
<td>.96018</td>
<td>.739(**)</td>
<td>.598(**)</td>
<td>.668(**)</td>
<td>.621(**)</td>
<td>1</td>
</tr>
</tbody>
</table>

** p<0,01 düzeyinde anlamlı korelasyon

Bunun yanında finansal performans boyutunun da aritmetik ortalamasına bakıldığında, acentaların rakipleri ile kendilerini benzer bir performans sahip olduklarını göstermektedir. Gerek pazar yönlülük boyutlarında gerekse subjektif işletme performansı boyutlarında aritmetik ortalamaların olumluya doğru bir eğilim göstermesine rağmen istenilen düzeyde olmadığı ifade etmek mümkündür.

Pazar yönelüklük boyutları ile işletme performansı boyutları arasındaki ilişkinin yönünü ve kuvvetini ortaya koymak amacıyla korelasyon analizi gerçekleştirilmiştir. Korelasyon analizi sonuçları, pazar yönelüklük ve işletme performansı boyutları arasında pozitif güçlü bir korelasyon olduğunu göstermektedir. Tablo 3’ye bakıldığında, pazar yönelüklük boyutlarından özellikle müşteri yönelüklük boyutunun işletme performansı boyutları ile yüksek bir korelasyon gösterdiğini anlaşılmaktadır. Bu bağlamda özellikle pazar performansı ile müşteri yönelüklük arasında önemli bir bağ olduğunu ifade edebiliriz. Bu durum, seyahat acentalarında pazar yönelüklük en öndeği olduğu ve bu yönde çaba sarf edildiği ortayaSMART

Tablo 4: Pazar Yönlülük Boyutlarının Çalışan Performansı Üzerindeki Etkisine Yönelik Regresyon Modeli

<table>
<thead>
<tr>
<th>Bağımsız Değişkenler</th>
<th>Beta</th>
<th>Std. Hata</th>
<th>Std. Betası</th>
<th>t</th>
<th>Anlamlı Lıılık</th>
<th>R²</th>
<th>F</th>
<th>Anlamlı Lıılık (Model)</th>
<th>DW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Müşteri Yönlülük</td>
<td>0,715</td>
<td>0,074</td>
<td>0,714</td>
<td>9,677</td>
<td>0,000</td>
<td>0,504</td>
<td>93,640</td>
<td>0,000</td>
<td>1,678</td>
</tr>
<tr>
<td>Pazar Bilgisinin Toplanması</td>
<td>0,702</td>
<td>0,099</td>
<td>0,599</td>
<td>7,098</td>
<td>0,000</td>
<td>0,352</td>
<td>50,370</td>
<td>0,000</td>
<td>1,647</td>
</tr>
</tbody>
</table>

Bağımlı Değişken: Çalışan Performansı

Pazar yönlülüğün “Çalışan Performansı” üzerindeki etkisine yönelik olarak Tablo 4 incelendiğinde modelin genel anlamda hem “Müşteri Yönlülük” açısından (F: 93,640; p<0,001), hem de ‘Pazar bilginin toplanması’ açısından (F: 50,379; p<0,001) anlamlı olduğu görülmektedir. Beta değerleri birbirine yakın olup açıklayıcı özellik gösterse de Pazar yönlülüğün iki boyutundan ‘Müşteri yönlülüğün’ (β: 0,714; p<0,01) açıklıçılık gücü daha yüksek olduğu görülmektedir. Bu bağlamda R² değerinin 0,504 olması, müşteri yönlülüğün çalışan performansı üzerinde %50,4 oranında bir etkiye sahip olduğu görülmektedir. Buradan hareketle müşteri yönü bir örgüt yapısının nitelikli çalışanları işletmeye çekebilecek ve tüm işçinin tatmini açısından oldukça önemlidir bir etkiye sahip olduğu görülmektedir. Bununla birlikte acenta içerisinde pazar iliskin bilgi toplama ve toplanan bilginin analiz edilmesinin de çalışanlar arasındaki iletişimi artırdığı ve bu yönüyle işletme performansının önemli göstergelerinden biri olan çalışan performansını da etkilediği görülmektedir.

Tablo 5: Pazar Yönlülük Boyutlarının Finansal Performans Üzerindeki Etkisine Yönelik Regresyon Modeli

<table>
<thead>
<tr>
<th>Bağımsız Değişkenler</th>
<th>Beta</th>
<th>Std. Hata</th>
<th>Std. Beta</th>
<th>t</th>
<th>Anlamlı Lıılık</th>
<th>R²</th>
<th>F</th>
<th>Anlamlı Lıılık (Model)</th>
<th>DW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Müşteri Yönlülük</td>
<td>0,519</td>
<td>0,070</td>
<td>0,614</td>
<td>7,385</td>
<td>0,000</td>
<td>0,370</td>
<td>54,540</td>
<td>0,000</td>
<td>2,062</td>
</tr>
<tr>
<td>Pazar Bilgisinin Toplanması</td>
<td>0,461</td>
<td>0,92</td>
<td>0,467</td>
<td>5,006</td>
<td>0,000</td>
<td>0,209</td>
<td>25,055</td>
<td>0,000</td>
<td>1,871</td>
</tr>
</tbody>
</table>

Bağımlı Değişken: Finansal Performans

Pazar yönlülüğün ‘finansal performans’ üzerindeki etkisine yönelik olarak Tablo 5 incelendiğinde ise; modelin genel anlamda hem ‘müşteri yönü’ açısından (F: 54,540; p<0,001), hem de ‘Pazar bilginin toplanması’ açısından (F: 25,055; p<0,001) anlamlı olduğu görülmektedir. Beta değerleri açıklıçılık özelliğe de, Pazar yönlülüğün iki boyutundan ‘Müşteri yönü’ (β: 0,614; p<0,01) açıklıçılık gücünün daha yüksek olduğu görülmektedir. R²
değerinin 0,370 olması yukarıdaki ifadeyi destekleyen nitelikte olup, müşteri yönlülüğün çalışan performansını %37 oranında açıkladığını göstermektedir. Bu sonuçlar neticesinde, müşteri yönlü hareket etmelerinin acentaların finansal anlamda başarılı olmalarında önemli bir etkiye sahip olduğu tablo Yeden anlaşılmaktadır. Aynı şekilde pazar bilgisi toplama yönünde acentalara tarafından gösterilen çabaların da finansal performansları üzerinde anlamlı bir etkisini olacağını söylemek mümkündür.

**Tablo 6: Pazar Yönlülük Boyutlarının Pazar Performansı Üzerindeki Etkisine Yönelik Regresyon Modeli**

<table>
<thead>
<tr>
<th>Bağımsız Değişkenler</th>
<th>Beta</th>
<th>Std. Hata</th>
<th>Std. Beta</th>
<th>t</th>
<th>Anlamılılık</th>
<th>R²</th>
<th>F</th>
<th>Anlamılılık (Model)</th>
<th>DW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Müşteri Yönlülük</td>
<td>0,624</td>
<td>0,060</td>
<td>0,739</td>
<td>10,405</td>
<td>0,000</td>
<td>0,541</td>
<td>108,263</td>
<td>0,000</td>
<td>2,121</td>
</tr>
<tr>
<td>Pazar Bilgisinin Toplanması</td>
<td>0,591</td>
<td>0,083</td>
<td>0,598</td>
<td>7,083</td>
<td>0,000</td>
<td>0,351</td>
<td>50,168</td>
<td>0,000</td>
<td>1,718</td>
</tr>
</tbody>
</table>

**Bağımlı Değişken: Pazar Performansı**

Pazar yönelülüğün ‘pazar performansı’ üzerindeki etkisine yönelik olarak ise Tablo 6 incelendiğinde; modelin genel anlamda hem ‘müşteri yönlülük’ açısından (F: 108,263; p<0,001), hem de ‘Pazar bilgisinin toplanması 2’ açısından (F: 50,168; p<0,001) anlamlı olduğu görülmektedir. Pazar yönelülüğün iki boyutunun da beta değerleri açıklayıcı özellik gösterse de, ‘Müşteri Yönlülüğü’ (β: 0,739; p<0,01) açıklayıcı gücünün daha yüksek olduğu görülmektedir. R² değerinin 0,541 olması yukarıdaki ifadeyi ifade eden nitelikte olup, müşteri yönelülüğün çalışan performansını %54,1 oranında açıkladığını göstermektedir. Tablo Z'den harekette müşteri yönelik hareket eden seyahat acentalarının pazar performansında artışa neden olduğu ve pazarda rakiplerine oranla rekabette avantaj sağlamalarına olanak tanımaktadır.

Pazar yönelülük boyutlarının acenta performansı boyları üzerindeki açıklayıcı güç düzeylerini belirlemeye yönelik olarak gerçekleştirilen regresyon analizi sonuçları, müşteri yönelülük ve pazar bilgisi toplama boylarının bağımlı değişkenler olan çalışan performansı, finansal performans ve pazar performansı üzerinde önemli ölçüde bir açıklayıcı olduğunu ortaya koymaktadır. Buradan harekete H2 hipotezi desteklenmiştir.
Şekil 1: Araştırmada Sınanan Değişkenlere İlişkin Anlamlı Korelasyon ve t Değerleri

5. SONUÇ


Modern çağın bireyleri için önemli bir sosyal ihtiyaç haline gelen turizmin gerçekleştirmesi ve turizme katılan bireylerin tatmin olmaması gibi durumlar sürekli yaşandığı yere dönemleri, seyahatin öncesinden başlayan ve seyahat süresince devam eden turistik ürünün kalitesine ve ihtiyaçları tatmin edebilme gücüne bağlıdır. Bu bağlamda seyahat acentaları seyahatin başlangıcından itibaren müşteri ile doğrudan temas halinde olan, seyahate katılım sürecinde ve seyahat esnasında turistlerin memnuniyeti için hizmet verebilecek çalışan kurumlar olarak değerlendirilmektedir.

Turizmin dinamik bir yapı sergilemesi, seyahat acentaları açısından pazar yönelılığı daha da önemli hale getirmektedir. Nitekim pazar yönelilik müşteri ve rakiplerle ilişkin pazar bilgisinin toplanması, işletme içine yayılması ve müşteri istek ve beklentileri doğrultusunda
cevap üretilmesi ile sonuçlanan bir süreç olarak ifade edilebilir. Bu nedenle, müşteri ihtiyaç ve istekleri ile rakiplerin hamlelerine üst düzeyde duyarlı olmayı gerektiren bir yapıya öngören pazar yönülü, seyahat acetaları açısından oldukça önemlidir. Bunun en temel nedeni, turistik tüketiciye ve beklentilerine sürekli bir biçimde değişmesi ve acetalarının buna yönelik hizmetleri şekillendirmelerinin gerektiği olduğu.

Yukarıda ifade edilen nedenlerden dolayı, dünyada önemli bir marka kenti haline gelen ve yaklaşık 7 milyon turist ağırlayan İstanbul'da faaliyet gösteren seyahat acetaları üzerinde bir alan araştırması gerçekleştirilmiştir. Araştırmadan elde edilen bulgular, seyahat acetalarının tam anlamıyla pazar yönlü bir örgüt kültürüne sahip olmadığını de göstermektedir. Aynı zamanda pazar yönülü olmalarının işletmenin gerek çalışan, gerek finansal gerekse pazar performansı üzerinde önemli bir açıklayıcılığının olduğunu göstermektedir.

Literatürde pazar yönülü ile işletme performansı arasındaki ilişki pek çok alan araştırmasıyla sınanmış olmasına karşın seyahat acentaları üzerinde yapılan araştırmaların oldukça sınırlı olduğu görülmüştür. Ancak pazar yönülü ile işletme performansı arasındaki evrensel olarak nitelendirilen bu ilişkihinin seyahat acetaları açısından de geçerli olduğunu görmüşlerdir. Bu açıdan araştırmanın литерatürde de anlı bir katkı sunduğu düşünülmektedir. Ancak pazar yönülü bir örgüt yapısının postasını ve geliştirilmesinin oldukça güçlü olduğu da bilinmektedir. Bu açıdan pazar yönülü olmalarının önündeki engeller ve pazar yönülü olmalarının üzerine etkileyici diğer faktörlerin de seyahat acetaları açısından sınırların pazar yönülü olmalarının seyahat acetalarındaki durumunu ortaya koymaktadır.

KAYNAKLAR


Yılmaz, C., Alpkân, L ve Bulut Ç. (2009), Firmaların Kültürel Oryantasyonlarının Çeşitli Performans Boyutlarına Etkileri: Türk İmalat ve Hizmet İşletmeleri Üzerine Bir saha Çalışması” Journal of Yasar University, (4)-16, ss. 246
ABSTRACT

In order to achieve high levels of passenger satisfaction, many performance indicators are taken into account by airport management. Among these, baggage access time is an important issue that can reduce passenger satisfaction levels at airports. In this study, the process and the antecedents of baggage access are examined by taking service providers into consideration. Triangulation approach is followed in order to reveal the hidden reasons for long baggage access times. With this aim, a focus group study, observations and in-depth interviews are conducted. In light of the findings, managerial implications and recommendation for further research are provided.

1. INTRODUCTION

The main service providers in airport management are the employees, airport operator (either public or private administration), airline companies and ground handling firms. However, all these players serve to create one common goal; passenger satisfaction. The journey of arriving and departing passengers starts as soon as they land or arrive at the airport. During their time at the airport, passengers are served by various service providers at security control, check-in counters, passport control, and during baggage access and boarding processes. Passenger satisfaction is impacted by the service levels during these stages. Baggage access time is an important indicator for passenger satisfaction and performance evaluation of the service providers. Long waiting times for baggage can cause dissatisfaction among the passengers and can reduce the perceived service quality at airports. According to SITA (2013) report, reasons for delayed baggage include mishandling in transfer and arrival, loading error, airport / customs /weather /space-weight restrictions, ticketing error, bag switch, security and tagging errors.

In this study, the process of baggage access in an international airport in Turkey is examined. The aim of the study is to use the triangulation approach to reveal the antecedents of baggage access time, and provide managerial recommendations to decrease the access times. Regarding these, we present literature survey, methodology, findings and conclusion as the main sections of the study.
2. LITERATURE SURVEY

Since time is considered as a scarce resource (Feldman and Hornik, 1981), in service industries, satisfying the time requirements of the customers has become crucial (Lovelock and Wirtz, 2004). The period of waiting for the service refers to “the time from which a customer is ready to receive the service until the time service commences” (Taylor, 1994; 56). According to Kostecki (1996), determinants of clients’ dissatisfaction with waits are based on characteristics of wait, service/product/perception and client characteristics. The length of waiting time for the service can drive future behavior by shaping overall service evaluations (Dubé-Rioux et al., 1989; Taylor, 1994; Taylor and Claxton, 1994; Groth and Gilliland, 2006) and has great impacts on satisfaction levels (Diaz and Ruiz, 2002; Tom and Lucey, 1995; 1997). Waiting can occur in three phases: pre-process, in-process and post-process delays (Dubé-Rioux et al.; 1989). Regardless of the waiting type, waiting and waiting lines tend to create an increase in marketing costs and a decrease in customer satisfaction (Kostecki, 1996).

Terminal activities for passenger and baggage processing such as cargo handling, airport maintenance, operations and administration activities and baggage handling also play crucial roles for passenger satisfaction (Correia et al., 2008a) through impacting the total time spent at the airport (Correia et al., 2005; Correia and Wirasinghe 2007). At airports, passengers can spend too much time due to waiting at any counter (eg. baggage reclaim counter), and such service failures are likely to cause a decrease in the level of perceived service quality (Martin-Cejas, 2006).

There are two different types of waiting time at airports, before departure and after arrival. Baggage handling is amongst the leading influence on passenger flows and airport processes, both for departing and arriving passengers (Freivalde and Lace, 2008). The time spent before departure is based on screening the passenger (Gkritza et al., 2006) and checked baggage screening (Leone and Liu, 2005). The time spent before departure varies according to peak period, number of passengers, number of bags, passenger inter arrival rate to check-in queue, promptness of arrival to airport (passenger and baggage demand) (Leone and Liu, 2005). Some of these metrics also impact the waiting time after arrival. Baggage access time is stated as processing time (Yeh and Kuo, 2003) and revealed as a significant service attribute for passenger service evaluation. Waiting for the baggage at the airports is a post-process delay at the final stage of service delivery after core service. More specifically, promptness and accuracy of baggage delivery are revealed to be an important measure for passenger satisfaction (Park, 2007) and perceived service quality (Correia et al.; 2008b).

As discussed, studies concentrating on after arrival in air transport management are limited. Therefore, this study aims to contribute to the literature on this topic.

3. DATA AND METHODOLOGY

This study aims to reveal the reasons for delays in baggage access, which are currently not examined comprehensively by conducting observations, in-depth interviews and focus group study. Triangulation, the usage of these techniques in combination, provided high levels of reliability and validity in this study. The deployment of these different methods
provided a deeper understanding for the terminal structure, operational areas, information flow between departments, working conditions and ground handling firms.

Firstly, observations were made in different stages of the baggage operation in order to create a general view of the steps in “Baggage Control Department” and to view the problems in processes. The steps followed were video-recorded and notes were taken.

Secondly, for analysing different aspects of this process, three semi structured in-depth interviews were conducted. As ground handling firms are the most important players in the baggage handling process, interviews were done with one employee and two managers of the two different ground handling firms. The interviews lasted around 45 minutes and were recorded by the researchers. The themes of the interviews were predetermined as the baggage handling process flow, the problems exposed during the process and their importance levels, the actions taken for the encountered problems, and the ways to decrease the baggage access time.

A focus group study was conducted with a group of 7 participants, presided over by a moderator (one of the researchers), and 2 senior students as note-takers. Participants were chosen to represent different aspects of airport work. The participants were the ground handling firms’ apron service engineers (2) and the planning officer (1), and the airport’s mechanic systems engineer (1), the baggage control officer (1) and the baggage control manager (1). This focus group meeting lasted 2 hours. The discussions among the participants revealed a number of previously unrecognized and unexplored issues in baggage access process.

Observations and in-depth interviews were performed by five senior students, guided by the researchers through the entire process. The necessary trainings and instructions were provided to the senior students regarding in-depth interviews and observation techniques in order to prevent bias. After audio recording, the researchers transcribed and coded the data. The authors and the five senior students coded and classified the data individually.

4. EMPIRICAL FINDINGS

In this part of the study, findings obtained through observations, in-depth interviews and focus group study are presented in two sections, firstly, as the stages of baggage movement in an airport, and, secondly a categorization of the causes for baggage access delays.

4.1. Stages of Baggage Movement in an Airport

The stages of baggage movement in an airport can vary according to the airport management system; however, the basic stages are generally similar regardless of the system. Based on the observations and in-depth interviews, an overview of the stages of baggage movement in an airport is presented below (Figure 1). Additionally, in this study, information transfer related to the baggage is also specified.

When the plane lands, a message is sent to the airport’s electronic system, which enables passengers to see all flight information from electronic boards located in front of the carousels and check-ins. Information is transferred from this system to flight management system. This allows managers to get real time information about baggage access time.
Information about flights is sent to flight information department. The baggage control department is responsible for issues related to baggage handling such as assigning baggage to carousels. Handling firms and carousels are determined according to their availability. Information about the point of departure, number of passengers and baggage are sent via electronic message to ground handling firms. Handling firms arrange their operational teams according to this information and the plane type. Before the plane lands, not only has the parking position (arranged 24 hours before landing) been arranged, but also unloading operations, power supply and handling services are determined. After the landing, it takes 4 minutes for a plane to reach the bridge. At this moment, the baggage access process is considered to have started.

The process starts with switching off the engine, and finishes when the last piece of baggage is placed on the band conveyor. After landing, hatches are opened and handling staff board the plane to take out the baggage using the mobile conveyor. The whole process can be considered as the time between the stopping of the engine and the placing of the last piece of baggage on the conveyor.

**Figure 1. The Typical Process of Baggage Movement in an Airport**

4.2. Categorization of the Causes for Long Baggage Access Times

As discussed in the methodology part, three main research methods are used in this study (in-depth interview, observation and focus group). These combined methods show that the factors affecting baggage access times are information flow, operations and process, staff, passengers, facility and equipment related problems (Table 1).

**Information Flow:** The main problem that increases baggage access time occurs due to inaccurate information flow from the airline company. The airline company is responsible for informing the airport operator about the amount of baggage and number of passengers. This is crucial to determine the conveyor and the handling equipment to be
used, the number of handling staff, and passport clerks, and to arrange the ground handling and other services. Therefore, inaccurate or incomplete information provided by the airline company may lead to an increase in the baggage access time. Additionally, information update delays in sudden flight changes also cause problematic occasions for baggage access.

**Operations and Process Stages**: Baggage access delays regarding to the flow of operations and process stages can derive from security and visa control, narcotic searches (for the inbound flights from the Netherlands and Middle Eastern countries) and passport control. These factors extend the baggage access time by postponing the passenger baggage pick-up from the conveyors. Unclaimed baggage creates baggage traffic on the conveyors and prevents the unloading of incoming baggage. Additionally, the frequency of flights (traffic) and simultaneous landing of planes can cause problems such as conveyor assignment problem, queues in passport and visa control, and insufficient equipment and staff for the amount of baggage.

Besides these, the number of operations performed by each individual ground handling firm is variable. Generally, baggage operations are executed by more than one firm, and firms do not all undertake the same number of operations. Based on the agreements, each ground handling firm provides service to specific airlines.

Baggage access time depends on the amount of baggage rather than the number of operations. The amount of baggage can differ according to plane types and sizes. Another problem is the stacked baggage. Due to the shape of the baggage, the baggage can be stacked on conveyors and cause delays.

Besides those, lack of legally enforceable process procedures prevents the construction of strong control mechanism for the services provided. Although there are informal agreements between airline companies and handling firms for maintaining the standards in operations, airline operators are not able to impose specific time limit on handling firms.

**Facility and Equipment Related Problems**: Facility and equipment related problems can also extend baggage access time. The equipments that are used in baggage unloading are carousels, cars and trolleys, band conveyor, mobile conveyor and unloading equipment to throw the baggage. The limited number of these equipments can cause delays. The amount of equipment used in baggage unloading depends on the ground handling service provider. Moreover, length of carousels, and the speed of band conveyor and vehicles can cause problems.

Hooded parking areas are beneficial for the passengers, enabling rapid disembarkation and reduced movement. However, baggage operations are not generally able to keep up with this speed. Hence, the passengers reach the conveyors earlier and wait longer for their baggage than those in the non-hooded areas. In addition to these, the design and structure of baggage reclaim area are important factors in baggage access time (Gatersleben and Weij, 1999; Norin, 2008).

The design of the claim area should be appropriate both for handling baggage and the free movement of passengers.
### Table 1: The Causes of Long Baggage Access Times

<table>
<thead>
<tr>
<th>Passenger related problems</th>
<th>Facility &amp; Equipment</th>
<th>Staff</th>
<th>Operations &amp; Process</th>
<th>Information flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free shop visits of passengers before baggage claim</td>
<td>Limited amount of unloading equipment</td>
<td>Limited number of passport officers</td>
<td>Large amount of baggage</td>
<td>Delay in information updates</td>
</tr>
<tr>
<td></td>
<td>Low speed of band, conveyor and vehicles</td>
<td>Low staff performance</td>
<td>Narcotic searches</td>
<td>Wrong or incomplete information</td>
</tr>
<tr>
<td></td>
<td>Length of carousels</td>
<td>Limited number of ground handling staff</td>
<td>The imbalance in the number of operations assigned to ground handling firms</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improper design of baggage reclaim area</td>
<td>Inadequate education level of staff</td>
<td>Obstructed (blocked) baggage</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Limited number of carousels, conveyors, cars and trolleys</td>
<td>Non-compliance to rules and procedures</td>
<td>Security, visa and passport control</td>
<td></td>
</tr>
<tr>
<td>Hooded parking area situation</td>
<td></td>
<td></td>
<td>Number of flights and simultaneous landing</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Lack of legally enforceable process procedures</td>
<td></td>
</tr>
</tbody>
</table>

**Passenger related problems:** Some passenger related problems can also extend to baggage access time. For instance, some passengers directly go to the free shop after disembarkation instead of collecting their baggage. In this case, the unclaimed baggage occupies a place on the carousel, causing delays in baggage delivery. Because of this, ground handling staff can not deliver new baggage on to the band conveyor. To prevent this situation, passengers must be persuaded to take their baggage before visiting free shops.

**Staff related problems:** The limited number of passport clerks and ground handling personnel are considered as staff related problems. Additionally, staff tends not to follow the rules and procedures related to the loading and unloading of the plane. For instance, one of the most important procedures concerns the filling of fuel tanks. In most cases, fuel truck starts loading of the fuel before passengers disembark the plane and this can lead to serious security and timing problems.

Heavy working schedules and the unpredictable overtime need impact the staff performance negatively and decrease the speed of the operations. Furthermore, lack of staff training can lead to unexpected delays.
5. CONCLUSION

In this study, the main aim was to shed light to the causes of delays in baggage access in order to increase passenger satisfaction and service quality provided by airports. The findings of the study provide some insights which will contribute to the resolution of the mentioned problems.

The responsible bodies in baggage access are the airport operator and ground handling firms. Any deficiencies in the management processes extend baggage access times.

As all managers acknowledged, there are informal agreements between airline companies and handling firms for maintaining the standards in operations, but these are not legally enforceable. Furthermore, airline operators are not able to impose specific time limit on handling firms. Therefore, it is important to introduce strict agreements that limit the maximum operation time of the ground handling firms. Loading/discharge procedures should be specified, and a strong control mechanism should be created at airports.

The number of staff and handling equipments, and the working hour plans vary from one ground handling firm to another. These numbers can change according to the amount of baggages handled. Thus, the airport operator should balance the work load (the number of operations) equally among the ground handling firms.

Baggage handling is a complex and resource based operation that requires detailed planning and labor/equipment investment (Dresner, 2006). Thus, the majority of the problems can be solved through efficient and effective investment in technology and equipment. Especially, investment is needed in new technological equipment such as automated ramp systems (to improve the unloading of hatches), and mechanical unloading module and lifting system (to transfer the baggage to the conveyor belt in the unloading area). With the support of new technologies it is possible to decrease the baggage access time and damage rate. Furthermore, RFID (radio frequency identification) can be used to determine the amount of the baggage, and provide higher levels of security and speed in service. These technological investments, together with the standardization of software usage among the ground handling firms will also increase the flow of related information. According to the airport operator and managers of ground handling companies, communication and information related problems can also be addressed by the improvement of communication infrastructure, training of the personnel, job rotation and establishment of a “communication management” department within airports.

Employee performance can be improved by increasing the number of employees, scheduling the overtime work, improvement of information flow along the organization and creating social organizations. Thus, a decrease in the baggage access time and an increase in employee satisfaction can be achieved.

The reduction in waiting times will increase the customer satisfaction levels of the passengers. The findings of the study are also important for highlighting the importance of baggage access process as the last step at airports that the passengers are exposed to. Passenger satisfaction increases when the passenger experience is improved; passenger experience is improved when the requirements of the passenger are fully addressed. The passengers require secure, fast and high quality service before departure and after arrival.
As discussed, baggage access time (after arrival) is a significant factor in overall passenger satisfaction. Therefore, long waiting times for the baggage can create a negativity effect on the perception of the overall airport service quality.

As for future research, a survey with passengers or service providers can be conducted to reveal the impact of delayed baggage.

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WORKPLACE EMOTIONAL INTELLIGENCE AND RETURN ON INVESTMENT IN THE NIGERIAN BANKING INDUSTRY

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Work place emotional intelligence, returns on investment, self awareness, self management, relationship management.

JEL Classification
D22, D31, G21

ABSTRACT
Emotional intelligence is a widely misunderstood, highly misinterpreted but very vital concept in every workplace. It is viewed as the ability to be aware of, and the management of one’s emotions. It is also regarded as the ability to relate to others in effective ways both personally and professionally in a wide range of contexts and roles. This study investigated the relationship between workplace emotional intelligence and return on investment in the Nigerian banking industry. The study adopted a survey method and the sample for the study consisted of two hundred and ten bank managers in South-South area of Nigeria. Data were collected mainly in the cities where there are high concentrations of banks through in-depth interviews and questionnaire instruments found to be reliable with cronbach Alpha values of 0.7 and above. Four hypotheses were formulated and tested using the spearman rank correlation coefficient with the aid of statistical package for social science. The results of our analysis at .05 level of significance showed that three competencies of emotional intelligence out of the four; namely self awareness, self management and relationship management were significantly related to return on investment. Our interview results also supported our findings. Based on the results, we conclude that workplace emotional intelligence influences return on investment. We therefore recommended that Organizations train their employees to acquire the competencies of work place emotional intelligence for greater performance.

1. INTRODUCTION

Work place emotional intelligence is emerging as an important determinant of organizational performance. Ever since Goleman (1998) popularized the construct to the business ream, a lot of scholars, especially in advanced countries around the world have researched on the subject matter and found it to be very useful for effective management of organizations. A growing literature suggests that work place emotional intelligence may play a far more important role in the management of organizations than general intelligence (cognitive ability).The influence of work place emotional intelligence in the management of Nigerian banks deserves to be studied. The economic importance of the banks and their services to the nation make this study desirable. Despite the fact that Nigerian banks have recorded some growth in recent time, there appeal to be some psychological issues that may have caused the banks low return on investments and therefore needs to be addressed. Work place emotional intelligence has been found to be
an important tool for the efficient and effective management of organizations, yet there is little evidence for the initiation of such program in the Nigerian banking sector. Few studies conducted in Nigerian organizations like those of Aforable, Awosola and Omole (2010) have only concentrated on Emotional intelligence and employee individual success factors like job satisfaction and were not directed to the entire success of the organization. To bridge this gap in the literature, this study examines the relationship between work place emotional intelligence and return on investment in the Nigerian banking industry. The remainder of the study sets out as follow; the research problem, the objectives of the study, hypotheses, literature review, methodology adopted, data presentation, and summary of interview, results of our findings, discussions and recommendations.

1.1. The Research Problem

The major problem facing the Nigerian banking industry has been poor financial performance. Although in Nigeria, the various reform programs undertaken in the Nigerian banking industry are limited to improving the financial performance of the banks, however they are yet to start any reform which is relevant to employees' psychological needs and as such the problem of the Banks’ low financial performance still exists. How workplace emotional intelligence can be applied to the efficient management and improvement of the banks’ financial performance agitates the mind of the researchers, hence the need for this study on the relationship between work place emotional intelligence and return on investment in the Nigerian Banking Industry.

The main purpose of the study was to examine the relationship between workplace emotional intelligence and return on investment in Nigerian Banks. However considering the dimensions of workplace emotional intelligence, the specific objectives of the study were to;

- determine how self awareness relates to return on investment
- find how social awareness relates to return on investment
- ascertain how self management relates to return on investment
- examine how relationship management to return on investment

The study attempts to provide answers to the following research questions.

- What is the relationship between self awareness and return on investment?
- What is the relationship between social awareness return on investment?
- What is the relationship between self management and return on investment?
- What is the relationship between relationship management and return on investment?

1.2. Hypotheses

Based on the objectives, the research questions and the literature review, the following null hypotheses were stated and tested in this study

- Ho1 - There is no significant relationship between self awareness and return on investment
• Ho2 - There is no significant relationship between self management and return on investment
• Ho3 - There is no significant relationship between social awareness and return on investment
• Ho4 - There is no significant relationship between relationship management and return on investment.

2. LITERATURE REVIEW

Emotional intelligence is relatively a recent construct and was brought to light and indeed to the business realm by Goleman, (1998). The study of emotional intelligence emanates from the works of Gardner (1983), and Williams and Sternberg (1988), who proposed broader approaches to understanding intelligence. Mayer and Salovery (1997) coined the term “emotional intelligence” and included Gardner’s intrapersonal and interpersonal components of the construct. Goleman (1998) took emotional intelligence to another level by making it more popular in the work place and by describing it as an important ingredient for successful business careers and as a crucial component for effective group performance. These people and indeed many others have attempted to elucidate the concept of emotional intelligence. Mayer and Salovery (1997), who introduced the term “emotional intelligence” initially saw it as; a form of intelligence that involves the ability to monitor one’s own and others’ feelings and emotions, to discriminate among them and to use this information to guide one’s thinking and actions. However, these authors later changed their view of emotional intelligence, and described emotional intelligence as the ability to perceive emotions, integrate emotions to facilitate thought, understand emotions and to regulate emotions to promote personal growth. To them, emotional intelligence involves the ability to perceive accurately, appraise, and express emotions, the ability to access and generate feelings when they facilitate thought, the ability to understand emotions to promote emotional and intellectual growth. These authors provided a model which comprises of four abilities; perception, assimilation, understanding, and regulation of emotions, (emotional management). Emotional perception consists of the ability to perceive emotions on the self and on the others, and also on objects, art, stories, music, and other stimulus. Emotional perception also includes the ability to distinguish between honest and dishonest expressions of emotions. The assimilation of emotions is the ability to generate, use and feel emotions as necessary to communicate feelings, or to use them in other cognitive processes. Emotional assimilation is the ability to distinguish among the different emotions one is feeling and to identify those that are influencing their thought processes. Emotional understanding is related to the ability to understand emotions, information, how emotions combine and shift across time, and the ability to appreciate emotional meanings. Emotional regulation (emotional management) refers to the ability to stay open to feelings and to monitor and regulate one’s and other’s emotions to promote understanding and personal growth. It is the ability to connect or disconnect from an emotion depending on its usefulness in a given situation.

Bar-ron (2000) saw emotional intelligence as “an array of emotional and social knowledge and abilities that influence our overall ability to effectively cope with environmental
demands”. The author further stated that emotional and social intelligence comprised of five high level factors which are intrapersonal skills-the ability of being aware and understanding emotions, feelings and ideas in the self, interpersonal skills-the ability of being aware and understanding emotions, feelings and ideas in others, adaptability-the ability of being open to changes in our feelings depending on the situation, stress management-the ability to cope stress and control emotions, and general moods-the ability of feeling and expressing positive emotions and being optimistic. These are further divided into 15 sub factors.

Emotional intelligence was made popular in the business realm by Goleman (1998). The author defined emotional intelligence as “the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships”. Goleman’s model is based on several competencies. Currently, it has 20 competencies as follows -Self-awareness refers to the ability to understand one’s emotions, and it comprises of emotional self-awareness, accurate self assessment, and self confidence. According to Yeung (2009); the first step to becoming emotionally intelligent is to become as self-aware as possible.

2.1. Self Management

Self management refers to how well we control emotions, impulses, and resources; it includes self control, trustworthiness conscientiousness, adaptability, achievement drive, and initiative. Social awareness refers to having understanding and sensitivity to the feelings, thoughts, and situations of others and it comprises empathy, service orientation and organizational awareness, and finally Relationship management which refers to guiding other people’s emotions and it comprises; developing others, influence, communication, conflict management, leadership, change catalyst, building bonds and teamwork and collaboration. Yeung (2009) argues that each one of these four dimensions is the basis to develop other learned competencies.

Return on investment can be described as a performance measure used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments. It is a measure of financial performance of an organization. Performance refers to the assessment of progress at different organizational levels, toward achieving predetermined goals (Bourne, Neely, Mills and Platts (2003). According to Blazevic and Lievens (2004), financial performance refers to a measure of how well a firm uses assets from its primary mode of business to generate revenues. Return on investment directs management attention to profitability and asset management. It measures divisional performance (Nweze 2000).

2.2. Emotional Intelligence in the Workplace

Emotional intelligence in the workplace has been an area of interest for the management of organizations. Several studies have reported that workplace emotional intelligence is a good predictor of organizational performance. Emotional intelligence is a construct that has received considerable attention in performance research, and is a valuable skill proven to give sales people a competitive advantage (Ashforth & Humphrey 1995, Dulewies & Higgs 2003, Goleman 2001, Goleman Boyatzie & McKee, 2002). In another study, Cavallo and Brienza (2002), found that the best performers were those high in emotional
intelligence. Watkin (2002) even suggests that emotional intelligence is the most important factor for superior performance at every organizational level. Similarly, Nowack (2006), found that the highest performing managers and leaders have significantly more emotional competencies than other managers. Chemiss (2001), suggests that emotional intelligence influences organizational effectiveness.

Other recent emotional intelligence research studies suggest that highly conscientious employees who lack social and emotional intelligence perform more poorly than those high in conscientiousness and emotional intelligence. According to Lunenburg (2010), a leader with good relationship management skills is good at persuading others to share her vision and would continually enlarge her network of people to win their support – when support is needed. Goleman (2001) asserts that leaders who possess a high degree of emotional intelligence tend to be more effective than those who lack them. Their self awareness elicits the trust and confidence of subordinates. People respect leaders who, because they are self-aware recognize their own limitations and because they are self regulating consider decisions carefully. Self aware individuals tend to be more self-confidence and to cope with ambiguity and are more open, to change. Strong motivation exhibited in a passion for work can also be infectious, helping to persuade others in pursuit of a common goal or organizational mission.

2.3. Impart on Bank Managers

Sosik and Meegerian, (1999), found that leaders high on emotional intelligence out performed those who are low on emotional intelligence when measured by organizational performance data. In a study of Emotional intelligence in matrix organization by Sy and Cote (2003), finding suggests that both employees and managers improved performance in matrix organization by applying the four components of emotional intelligence. Another study has also found that hiring individuals with higher levels of emotional intelligence as well training existing staff to be more emotionally intelligent has been associated with financial gains in the private sector. In the workplace, performance of employees and managers depend on working with group of people with different ideas, opinions and suggestions. Effective use of emotional intelligence gives better team harmony (Ashfort & Humphrey 1995). Bank managers need a lot of emotional intelligence, in that they are in position to deal with the organization’s customers and they constantly interact with other people and they motivate the employees for optimal performance. Managers with high emotional ability are able to understand their customers’ and employees’ needs and provide them with constructive feedback which will enhance organizational performance. Management of emotional intelligence by team members will help in developing interpersonal skills to work effectively in the organization, (Wall 2008)

To perform effectively and efficiently, banks require relationships to be established between customers and banking staff. The success of such relationships will depend on the quality of the relating styles used by banking staff. Staffs’ ability to relate well to their customers is their level of emotional intelligence. Chemiss and Goleman (1998) estimated that by not following training guidelines established to increase emotional intelligence in the workplace, industry in the United States is losing between $5.6 and $16.8 billion a year. They found that the impact of training employees in emotional and social competencies with programs which followed their guidelines was higher than for other
programs. Given comparable size, companies in which CEOs exhibited more emotional intelligence competencies showed better financial results as measured by both profit and growth (Williams 1994). According to Harris et al (2009), several industries have richly embraced incorporating emotional intelligence in the workplace. By utilizing this framework, these industries have been able to manage complexity and expand profitability. In one study, financial advisors at American Express whose managers completed the Emotional Competence training program were compared to an equal number whose managers had not. During the year following training, finding suggests that the advisors of trained managers grew their businesses by 18.1% compared to 16.2% for those whose managers were untrained. That is, the trained group outperformed the control group, adding significantly to the American Express bottom line (Salicru 2005).

In a study of relationship marketing, emotional intelligence and performance by Hefferman et al (2005), finding suggests that emotional intelligence had a significant positive relationship with financial performance; the higher the level of emotional intelligence a relationship manager possesses, the higher their profitability for the bank. Earlier studies conducted by Deeter Selmeiz and Sojku (2003), qualitative study of eleven sales professionals and Higgs (2004), quantitative study of employees in a call centre, findings suggest similar results. Similarly, senior partners in a USA multinational consulting firm were assessed on emotional intelligence competencies, partners who scored above the median on 9 or more of the 20 competencies delivered $1.2 million more profit from their accounts than did other partners – a 139 percent incremental gain (Boyatzis 1999). In the United Kingdom’s Whitbread groups, restaurants with high emotional intelligence managers had higher quest satisfaction, lower turnover, and 34 percent greater profit growth (Bar-On 2002). In a study of Food and Beverage by McCleland (1996), finding suggests that when senior managers had a critical mass of emotional intelligence competencies, their divisions outperformed yearly earning goals by 20 percent. Meanwhile divisional leaders without critical mass of emotional competencies underperformed their goals by almost the same amount.

3. DATA AND METHODOLOGY

This study adopted the cross sectional survey. This method was considered more suitable for the study in that the data for the study were gathered just once for analysis from the various banks. More also, the method was less expensive and timesaving. The target population was the Banking Industry in Nigeria. The population however was limited to Banks operating in the South-South Area of the country because of financial constrains and time factor. Participants for the study were mainly the managers.

In determining the sample size; the Taro Yamene’s formula was applied since the sample size was drawn from a heterogeneous population. Baridam (2008) suggests that we can determine the sample size from a heterogeneous population using the Taro Yamene’s formula. The formula is shown below and applied as follows:

\[ n = \frac{N}{1 + N(e)^2} \]

Where \( n = \) Sample size Sought.
Calculation of the sample size

\[ e = \text{Level of Significance} \]
\[ N = \text{Population Size} \]

\[ \frac{1088}{1 + 1088(0.05)} = 292 \]

The sample size for each bank was determined by using the Bowley’s (1964) population allocation formula.

\[ nh = \frac{nNh}{N} \]

Where \( nh \) = the number of items assigned to each bank
\( n \) = the total sample size
\( Nh \) = number of managers in each bank.
\( N \) = population size.

For examples the sample for Access Bank is

\[ Nh = \frac{(292)(28)}{1088} = 8 \]

Triangulation method of data collection was utilized. Hence different data sources and collection methods were applied. Specifically, we used the questionnaire method of data collection, interview and secondary data. The questionnaire contains mostly closed ended questions for ease of analysis, it has two sections. Section one was structured to elicit demographical information of the respondents, while section two presents questions on the study variables. Sets of the questionnaire were first of all pretested on some employees to check how suitable the questionnaire was for the study. The copies of the questionnaire were given to the managers. For qualitative data, we adopted interview method to generate answers that clarified certain issues. Secondary data were also adopted. Secondary data were obtained through document reviews. The data for this study were generated using a five point scale ranging from strongly agree to strongly disagree. The scale adopted in this study is the modified Likert scale. It measures the competencies of emotional intelligence-self awareness, self-management, social awareness and relationship management and the measures of organizational performance. Copies of the questionnaire were also given to experts in this field for further evaluation and suggestions. Besides, the multiple data sources and collection methods adopted in this study were also useful for the validity of the data.

We also took a confirmatory test of internal consistency on the instrument with our sample using the Cronbach’s Alpha, and only the items that return Alpha values of 0.7 and above were considered.
3.1. Reliability Analysis

Result of reliability analysis of the variables used for the study, using cronbach’s alpha

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Independent Variables</strong></td>
<td></td>
</tr>
<tr>
<td>Self Awareness</td>
<td>0.726</td>
</tr>
<tr>
<td>Self Management</td>
<td>0.838</td>
</tr>
<tr>
<td>Social Awareness</td>
<td>0.969</td>
</tr>
<tr>
<td>Relationship Management</td>
<td>0.767</td>
</tr>
<tr>
<td><strong>Dependent Variables</strong></td>
<td></td>
</tr>
<tr>
<td>Net Profit</td>
<td>0.756</td>
</tr>
<tr>
<td>Market Share</td>
<td>0.737</td>
</tr>
<tr>
<td>Return on Investment</td>
<td>0.772</td>
</tr>
</tbody>
</table>

*Source: SPSS 17.0 Output (based on field survey data).*

4. EMPIRICAL FINDINGS

Presentation and Analysis of Primary Data

*List of Banks, number of managers, number of sets of questionnaire distributed and the number of sets of questionnaire returned.*

<table>
<thead>
<tr>
<th>Names of banks</th>
<th>Numbers of managers in south-south Nigeria</th>
<th>Numbers of sets of questionnaire distributed</th>
<th>Number of sets of questionnaire returned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access Bank Plc</td>
<td>28</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Africa Bank Plc</td>
<td>26</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Bank Name</td>
<td>Count</td>
<td>Valid</td>
<td>Invalid</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>-------</td>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td>Bank PHB Plc</td>
<td>22</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Diamond Bank Plc</td>
<td>32</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>Eco Bank Plc</td>
<td>71</td>
<td>20</td>
<td>13</td>
</tr>
<tr>
<td>Fidelity Bank Plc</td>
<td>24</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Fin Bank Plc</td>
<td>16</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>First Bank of Nig. Plc</td>
<td>216</td>
<td>58</td>
<td>47</td>
</tr>
<tr>
<td>First City Monument Bnk Plc</td>
<td>26</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Guaranty Trust Bank Plc</td>
<td>32</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Intercontinental Bank Plc</td>
<td>72</td>
<td>19</td>
<td>15</td>
</tr>
<tr>
<td>Oceanic Bank Plc</td>
<td>82</td>
<td>22</td>
<td>18</td>
</tr>
<tr>
<td>Skye Bank Plc</td>
<td>26</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Stanbic IBTC Bank Plc</td>
<td>21</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Sterling Bank Plc</td>
<td>20</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Union Bank of Nig Plc</td>
<td>122</td>
<td>32</td>
<td>26</td>
</tr>
<tr>
<td>United Bank for Africa</td>
<td>118</td>
<td>31</td>
<td>21</td>
</tr>
<tr>
<td>Unity Bank Plc</td>
<td>54</td>
<td>14</td>
<td>11</td>
</tr>
<tr>
<td>Wema Bank Plc</td>
<td>14</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Zenith Bank Plc</td>
<td>44</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Spring Bank Plc</td>
<td>22</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1088</strong></td>
<td><strong>292</strong></td>
<td><strong>217</strong></td>
</tr>
</tbody>
</table>

**Source:** Field survey.

Out of a total of two hundred and seventeen sets of the questionnaire returned, seven were not valid, thus 210 were used for the analysis.
### 4.1. Frequencies on Self Awareness Items

<table>
<thead>
<tr>
<th>Items</th>
<th>SA</th>
<th>A</th>
<th>D</th>
<th>SD</th>
<th>I don’t know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to understand and awareness of own feelings and what triggers them.</td>
<td>111</td>
<td>63</td>
<td>19</td>
<td>8</td>
<td>9</td>
<td>210</td>
</tr>
<tr>
<td>Ability to use perception effectively.</td>
<td>103</td>
<td>80</td>
<td>12</td>
<td>7</td>
<td>8</td>
<td>210</td>
</tr>
<tr>
<td>Ability to understand and know self.</td>
<td>74</td>
<td>94</td>
<td>8</td>
<td>13</td>
<td>21</td>
<td>210</td>
</tr>
<tr>
<td>Ability to know values and beliefs.</td>
<td>66</td>
<td>93</td>
<td>23</td>
<td>22</td>
<td>6</td>
<td>210</td>
</tr>
<tr>
<td>Ability to have self confidence in all situations.</td>
<td>80</td>
<td>73</td>
<td>17</td>
<td>18</td>
<td>22</td>
<td>210</td>
</tr>
<tr>
<td>Ability to recognize feelings and their effects.</td>
<td>79</td>
<td>68</td>
<td>23</td>
<td>18</td>
<td>22</td>
<td>210</td>
</tr>
<tr>
<td>Ability to know strengths and limits.</td>
<td>64</td>
<td>93</td>
<td>35</td>
<td>6</td>
<td>12</td>
<td>210</td>
</tr>
<tr>
<td>Ability to understand and awareness of own feelings and what triggers them.</td>
<td>444</td>
<td>189</td>
<td>38</td>
<td>8</td>
<td>0</td>
<td>679</td>
</tr>
<tr>
<td>Ability to use perception effectively.</td>
<td>412</td>
<td>240</td>
<td>24</td>
<td>7</td>
<td>0</td>
<td>683</td>
</tr>
<tr>
<td>Ability to understand and know self.</td>
<td>264</td>
<td>279</td>
<td>46</td>
<td>22</td>
<td>0</td>
<td>611</td>
</tr>
<tr>
<td>Ability to know values and beliefs.</td>
<td>320</td>
<td>219</td>
<td>34</td>
<td>18</td>
<td>0</td>
<td>591</td>
</tr>
<tr>
<td>Ability to have self confidence in all situations.</td>
<td>320</td>
<td>219</td>
<td>34</td>
<td>18</td>
<td>0</td>
<td>591</td>
</tr>
<tr>
<td>Ability to recognize feelings and their effects.</td>
<td>312</td>
<td>204</td>
<td>46</td>
<td>18</td>
<td>0</td>
<td>580</td>
</tr>
<tr>
<td>Ability to know strengths and limits.</td>
<td>64</td>
<td>93</td>
<td>35</td>
<td>6</td>
<td>12</td>
<td>210</td>
</tr>
<tr>
<td>Ability to understand and awareness of own feelings and what triggers them.</td>
<td>52.86%</td>
<td>30%</td>
<td>9.05%</td>
<td>3.81%</td>
<td>4.29%</td>
<td>100%</td>
</tr>
<tr>
<td>Ability to use perception effectively.</td>
<td>49.05%</td>
<td>38.10%</td>
<td>5.71%</td>
<td>3.33%</td>
<td>3.81%</td>
<td>100%</td>
</tr>
<tr>
<td>Ability to understand and know self.</td>
<td>35.24%</td>
<td>44.76%</td>
<td>3.81%</td>
<td>6.19%</td>
<td>10%</td>
<td>100%</td>
</tr>
<tr>
<td>Ability to know values and beliefs.</td>
<td>31.43%</td>
<td>44.29%</td>
<td>10.95%</td>
<td>10.4%</td>
<td>2.86%</td>
<td>100%</td>
</tr>
<tr>
<td>Ability to have self confidence in all situations.</td>
<td>38.10%</td>
<td>34.76%</td>
<td>8.10%</td>
<td>8.57%</td>
<td>10.48%</td>
<td>100%</td>
</tr>
<tr>
<td>Ability to recognize feelings and their effects.</td>
<td>37.14%</td>
<td>32.38%</td>
<td>10.95%</td>
<td>8.57%</td>
<td>10.48%</td>
<td>100%</td>
</tr>
<tr>
<td>Ability to know strengths and limits.</td>
<td>30.48%</td>
<td>44.29%</td>
<td>16.67%</td>
<td>2.86%</td>
<td>5.71%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Eight measurement items; questions 1-8 were used to collect data on self awareness. The responses and scores are shown in the table above. The responses are as follows:

As the data shows in table 4.9 above, 111(52.86%) of the 210 managers strongly agreed that they are aware of their feelings, what triggers them and how they can manage their emotions which enhanced their abilities to contribute positively to the realization of their banks achievement of stated goals. 63(30%) agreed, while 19(9.05%) disagreed. 8(3.81%) of them strongly disagreed and 9(4.29%) of them indicated I don’t know.

103(49.05%) of the total respondents of 210 strongly agreed that they can use their perceptions effectively. 80(38.10%) of them agreed, 12(5.71%) of the managers disagreed and yet another 7(3.33%) of them strongly disagreed. None of them indicated I don’t know.

74(35.24%) of the respondents strongly agreed that they can understand their selves, another 94(44.76%) agreed. Just 8(3.81%) disagreed, while 13(6.19%) strongly disagreed. 21(10%) indicated I don’t know.

66(31.43%) of the respondents indicated strongly agreed on the ability to know their values and beliefs. 93(44.29%) agreed, while 23(10.93%) disagreed, 22(10.4%) of them strongly disagreed and 6(2.86%) indicated I don’t know.

As the table shows 80(38.10%) of the total respondents (210) strongly agreed that they have self-confidence in all situations which enables them to perform their task well. Another 73(34.76%) of them agreed. While 17(8.10%) disagreed. 18(8.57%) strongly disagreed, 22(10.48%) of them indicated I don’t know.

79(37.14%) of the total respondents of 210 strongly agreed that they can recognize their feelings and their effects. 68(32.38%) of them agreed. 23(10.95%) disagreed, while 18(8.57%) strongly disagreed and 22(10.48%) indicated I don’t know.
64 (30.48%) of the 210 respondents strongly agreed that they know their strengths and limits. 93 (44.29%) of them agreed, 35 (16.67%) of the respondents disagreed, 16 (2.86%) of them strongly disagreed, while 12 (5.71%) indicated I don’t know.

103 (49.05%) of the total respondents of (210), 103 strongly agreed that they have a strong sense of their self worth and capabilities. 55 (26.19%) of them agreed. 23 (10.95%) of them disagreed, 19 (9.05) strongly disagreed and 10 (4.76%) stated I don’t know.

### 4.2. Frequencies on Self Management Items

<table>
<thead>
<tr>
<th>Options response and scores</th>
<th>Items</th>
<th>SA</th>
<th>A</th>
<th>D</th>
<th>SD</th>
<th>I don’t know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ability to manage and control emotions and behaviour.</td>
<td>65</td>
<td>96</td>
<td>23</td>
<td>8</td>
<td>18</td>
<td>210</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30.95%</td>
<td>45.71%</td>
<td>10.95%</td>
<td>3.81%</td>
<td>8.57%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Ability to demonstrate and practice high standards of personal and professional integrity.</td>
<td>260</td>
<td>288</td>
<td>46</td>
<td>8</td>
<td>0</td>
<td>602</td>
</tr>
<tr>
<td></td>
<td></td>
<td>56.19%</td>
<td>26.67%</td>
<td>4.76%</td>
<td>4.29%</td>
<td>8.10%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Ability to accomplish tasks projects and assignments on time.</td>
<td>113</td>
<td>57</td>
<td>23</td>
<td>8</td>
<td>9</td>
<td>210</td>
</tr>
<tr>
<td></td>
<td></td>
<td>53.81%</td>
<td>27.14%</td>
<td>10.95%</td>
<td>3.81%</td>
<td>4.29%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Ability to perform under pressure and stress.</td>
<td>26</td>
<td>56</td>
<td>67</td>
<td>40</td>
<td>21</td>
<td>210</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12.38%</td>
<td>26.67%</td>
<td>31.90%</td>
<td>19.05%</td>
<td>10.00%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Ability to act on opportunities.</td>
<td>104</td>
<td>168</td>
<td>134</td>
<td>40</td>
<td>0</td>
<td>446</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30.95%</td>
<td>45.71%</td>
<td>10.95%</td>
<td>3.81%</td>
<td>8.57%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Ability of persistence in pursuing goals despite obstacles and self backs.</td>
<td>125</td>
<td>61</td>
<td>0</td>
<td>0</td>
<td>24</td>
<td>210</td>
</tr>
<tr>
<td></td>
<td></td>
<td>59.52%</td>
<td>29.05%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>11.43%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Six measurement items (questions 9-14) were used to collect data on self management. The data is presented in the table above. The responses were as follows:

Based on the data; 65(30.95 %) of the 210 respondents strongly agreed that they can manage and control their emotions and behaviour. Another 95 (45.71 %) agreed, while 23 (10.95 %) disagreed, 8 (3.81 %) strongly disagreed and 18 (8.57%) indicated; I don’t know.

As the data further shows, 118 (56.19%) of the total respondents of 210, stated that they have high standards of personal and professional integrity, are honest, openness and have trusting relationship with others. 56 (26.67%) of them agreed, 10 (4.76%) disagreed, 9 (4.29%) strongly disagreed while 17 (8.10) indicated; I don’t know.

113 (53.81%) out of the 210 respondents strongly agreed that they can accomplish tasks, projects and assignments on time and with quality. 57(27.14%) of them agreed, 23(10.95%) disagreed, 8(81%) strongly disagreed. While 9(4.29%) indicated; I don’t know.

From the figures in table above, 26(12.38%) of the 210 respondents strongly agreed that they can perform under pressure and stress, have the ability to effectively cope with ambiguity and change 56(26.67%) of them agreed. 67(31.90%) disagreed, 40(19.05%) strongly disagreed. While 21(10%) indicated; I don’t know.

63(30.95%) of the total respondents strongly agreed that they can take opportunities to enhance their banks’ achievements of its goals. 96(45.71%) agreed. 23(10.95%) of them disagreed. While 8(3.81%) strongly disagreed. 18(8.57%) indicated; I don’t know.

125(59.52%) of the total 210 respondents strongly agreed that they are persistence in pursuing goals despite obstacles and set backs.  61(29.05%) of the respondents agreed. However, none disagreed and strongly disagreed. While 24(11.45%) of them indicated; I don’t know.

### 4.3. Frequencies on Social Awareness Items

<table>
<thead>
<tr>
<th>Items</th>
<th>SA</th>
<th>A</th>
<th>D</th>
<th>SD</th>
<th>I don’t know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Survey Data,
| Ability to recognize and value differences and similarities between people and culture. | 59 | 92 | 36 | 9 | 14 | 210 |
| Ability to recognize and value differences and similarities between people and culture. | 28.10% | 43.81% | 17.14% | 4.29% | 6.67% | 100% |
| | 236 | 276 | 72 | 9 | 0 | 593 |
| Ability to sense others feelings and take an active interest in their concerns. | 48 | 101 | 43 | 6 | 12 | 210 |
| Ability to sense others feelings and take an active interest in their concerns. | 22.86% | 48.10% | 20.48% | 2.86% | 5.71% | 100% |
| | 192 | 303 | 86 | 6 | 0 | 587 |
| Ability to read a group’s emotional currents and power relationship. | 62 | 96 | 32 | 8 | 12 | 210 |
| Ability to read a group’s emotional currents and power relationship. | 29.52% | 45.71% | 15.24% | 3.81% | 5.71% | 100% |
| | 248 | 288 | 64 | 8 | 0 | 608 |
| Ability to participate, recognize and meet customers’ need. | 61 | 94 | 31 | 12 | 12 | 210 |
| Ability to participate, recognize and meet customers’ need. | 29.05% | 44.76% | 14.76% | 5.71% | 5.71% | 100% |
| | 104 | 168 | 134 | 40 | 0 | 446 |
| Ability to recognize and understand organizational values, behaviours and beliefs. | 60 | 95 | 34 | 9 | 12 | 210 |
| Ability to recognize and understand organizational values, behaviours and beliefs. | 28.57% | 45.24% | 16.19% | 4.29% | 5.71% | 100% |
| | 240 | 285 | 68 | 9 | 0 | 602 |
| | 290 | 478 | 176 | 44 | 62 | 1050 |
| Total | 1160 | 1434 | 352 | 44 | 0 | 2990 |

**Source:** Field Survey Data,

Five measurement items questions 15-19 were used to collect data on social awareness. The responses are shown in the above table. The responses were as follows;

As the data on social awareness shows, 59(28.10%) of the 210 respondents strongly agreed that they recognized and valued differences and similarities between people and culture. 92(43.81%) of them agreed. While 36(17.14%) disagreed, 9(4.29%) of them were natural.
48(22.86%) of the 210 respondents strongly agreed that they can sense others’ feelings and show interest in their concerns. 101(48.10%) of them agreed to that effect. While 43(20.48%) of the respondents disagreed. Just 6(2.86%) stated; I don’t know.

On the ability to read a group’s emotional currents and power relationships, 62(29.52%) of the 210 respondents indicated strongly agreed. Another 96(45.71%) of them agreed. 32(15.24%) disagreed. While 8(3.81%) of them strongly disagreed. 12(5.71%) of them indicated; I don’t know.

61(29.05%) of the 210 respondents strongly agreed that they can participate, recognize and meet customers’ needs. 94(44.76%) of them agreed. While 31(14.76%) of them disagreed, 12(5.71%) strongly disagreed and yet another 12(5.71%) indicated; I don’t know.

On the ability to recognize and understand organizational values, 60(28.57%) of the 210 respondents strongly agreed. 95(45.24%) agreed. But 34(16.19%) disagreed. 9(4.29%) strongly disagreed and 12(5.71%) of them indicated; I don’t know.

4.4. Frequencies on Relationship Management Items

<table>
<thead>
<tr>
<th>Items</th>
<th>SA</th>
<th>A</th>
<th>D</th>
<th>SD</th>
<th>I don’t know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to sense other’s development needs.</td>
<td>67</td>
<td>94</td>
<td>31</td>
<td>6</td>
<td>12</td>
<td>210</td>
</tr>
<tr>
<td></td>
<td>31.90%</td>
<td>44.76%</td>
<td>14.76%</td>
<td>2.86%</td>
<td>5.71%</td>
<td>100%</td>
</tr>
<tr>
<td>Ability to recognize what drives and motivates others.</td>
<td>78</td>
<td>78</td>
<td>16</td>
<td>21</td>
<td>17</td>
<td>210</td>
</tr>
<tr>
<td></td>
<td>37.14%</td>
<td>37.14%</td>
<td>7.62%</td>
<td>10.00%</td>
<td>8.10%</td>
<td>100%</td>
</tr>
<tr>
<td>Ability to help others.</td>
<td>99</td>
<td>83</td>
<td>12</td>
<td>7</td>
<td>9</td>
<td>210</td>
</tr>
<tr>
<td></td>
<td>47.14%</td>
<td>39.52%</td>
<td>5.71%</td>
<td>3.33%</td>
<td>4.29%</td>
<td>100%</td>
</tr>
<tr>
<td>Ability to initiate and manage change.</td>
<td>52</td>
<td>81</td>
<td>25</td>
<td>38</td>
<td>14</td>
<td>210</td>
</tr>
<tr>
<td></td>
<td>24.76%</td>
<td>38.57%</td>
<td>11.90%</td>
<td>18.10%</td>
<td>6.67%</td>
<td>100%</td>
</tr>
</tbody>
</table>

362
<table>
<thead>
<tr>
<th>Ability</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to wield effective tactics for persuasion.</td>
<td>268</td>
<td>31.90%</td>
<td>565</td>
</tr>
<tr>
<td>Ability to negotiate and effectively resolve interpersonal differences with others.</td>
<td>296</td>
<td>35.24%</td>
<td>620</td>
</tr>
<tr>
<td>Ability to work with others toward shared goals.</td>
<td>252</td>
<td>30.00%</td>
<td>545</td>
</tr>
<tr>
<td>Ability to establish and develop cooperative, supportive and collaborative working relationship with others.</td>
<td>316</td>
<td>37.62%</td>
<td>634</td>
</tr>
<tr>
<td>Ability to use active listening skills in every situation.</td>
<td>316</td>
<td>37.62%</td>
<td>634</td>
</tr>
<tr>
<td>Ability to understand, read and use body language.</td>
<td>336</td>
<td>40.00%</td>
<td>635</td>
</tr>
<tr>
<td>Ability to receive and use feedback effectively.</td>
<td>312</td>
<td>37.14%</td>
<td>581</td>
</tr>
<tr>
<td>Total</td>
<td>3280</td>
<td>100%</td>
<td>6666</td>
</tr>
</tbody>
</table>

**Source:** Field Survey Data,
Eleven measurement items (20-30) were used to collect data on relationship management. The responses are presented on table 4.13 above. The responses are as follows;

67(31.90%) of the 210 total respondents strongly agreed that they have the ability to develop others. 94(44.76%) of the respondents agreed. 31(14.76%) disagreed. Just 6(2.88%) of them strongly disagreed. While 12(5.71%) of them indicated; I don’t know.

78(37.18%) of the 210 respondents strongly agreed that they can motivate others. Another of 78(37.14%) of the respondents also agreed that they have this ability. 16(7.62%) disagreed. While 21(10%) strongly disagreed. 17(8.10%) of them indicated; I don’t know.

On the ability to help others to be more assertive, 99(47.14%) of 210 respondents strongly agreed that they have this capacity. 83(39.52%) of them agreed. 12(5.71%) disagreed. While 7(3.33%) strongly disagreed. 9(4.29%) indicated; I don’t know.

On the how to initiate and manage change, the data shows that 52(24.76%) of the 210 respondents strongly agreed. 81(38.57%) agreed. While 25(11.90%) disagreed. 38(18.10%) strongly disagreed and 14(6.67%) indicated; I don’t know.

67(31.90%) of the 210 respondents strongly agreed that they can persuade others. 60(28.57%) of them agreed. While 43(20.48%) disagreed. 31(14.76%) of them strongly disagreed and 9(4.29%) of them indicated; I don’t know.

74 which is (35.24%) of the 210 respondents strongly agreed that they can negotiate and effectively resolve interpersonal differences with others. 83(39.52%) of them agreed. 27(12.86%) of the respondents disagreed. While 21(10%) strongly disagreed. Just 5(2.38%) indicated; I don’t know.

4.5. Frequencies on Items of Return on Investment

The above responses indicate that the banks’ increased the value of shareholders’ investments. As the table shows, 62 (29.5%) of the respondents strongly agreed that the

<table>
<thead>
<tr>
<th>In the past five years, My bank has increased the value shareholders’ investment</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>I don't know</td>
<td>19</td>
<td>9.0</td>
<td>9.0</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>6</td>
<td>2.9</td>
<td>2.9</td>
<td>11.9</td>
</tr>
<tr>
<td>Disagree</td>
<td>35</td>
<td>16.7</td>
<td>16.7</td>
<td>28.6</td>
</tr>
<tr>
<td>Agree</td>
<td>88</td>
<td>41.9</td>
<td>41.9</td>
<td>70.5</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>62</td>
<td>29.5</td>
<td>29.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>210</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

banks increased their shareholders’ investment. Another 88 representing 41.9% agreed to that effect. While only 19 (9%) were undecided, 35 (16.7%) of them disagreed and just 35(16.7%) strongly disagreed.
The analysis above indicates that the banks enhanced their shareholders’ satisfaction. The data showed that 64 (30.5%). As many as 99 representing 47.1% agreed, while very few (25) (11.9%) disagreed. 13 (6.2%) of them strongly disagreed and another 9 (4.3%) of them were undecided.

The result shows that the banks’ increased their shareholders’ invested capital. From the table, 64 (30.5%) strongly agreed, 95 (45.2%) agreed, 22 (10.5%) disagreed, 7 (3.3%) strongly disagreed, while 22 (10.5) were undecided.

### 4.6. Results of Test of Hypotheses

The hypotheses for the study were tested using the spearman rank correction coefficient with the aid of statistical package for social sciences (SPSS) Hypothesis one; Relationship between self awareness and return on investment.
4.7. Relationship Between Self-Awareness and Return on Investment

A positive and significant relationship was found between self awareness and return on investment.

**Hypothesis Two;** Relationship between self management and return on investment. A positive and significant relationship found between self management and Return on investment.

### 4.8. Relationship Between Self-Management and Return on Investment

**Correlations**

<table>
<thead>
<tr>
<th>Type</th>
<th>Variables</th>
<th>Statistics</th>
<th>Self-Awareness</th>
<th>Return on Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman's rho</td>
<td>Self-Awareness</td>
<td>Correlation Coefficient</td>
<td>1.000</td>
<td>.670**</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N</td>
<td>210</td>
<td>210</td>
</tr>
<tr>
<td></td>
<td>Return on Investment</td>
<td>Correlation Coefficient</td>
<td>.670**</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N</td>
<td>210</td>
<td>210</td>
</tr>
</tbody>
</table>

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

Hypothesis three; Relationship between social awareness and Return on investment. No significant relationship was found between social awareness and return on investment.

**Correlations**

<table>
<thead>
<tr>
<th>Type</th>
<th>Variables</th>
<th>Statistics</th>
<th>Self-Management</th>
<th>Return on Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman's rho</td>
<td>Self-Management</td>
<td>Correlation Coefficient</td>
<td>1.000</td>
<td>.710**</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N</td>
<td>210</td>
<td>210</td>
</tr>
<tr>
<td></td>
<td>Return on Investment</td>
<td>Correlation Coefficient</td>
<td>.710**</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N</td>
<td>210</td>
<td>210</td>
</tr>
</tbody>
</table>

**.** Correlation is significant at the 0.01 level (2-tailed).
4.9. Relationship Between Social Awareness and Return on Investment

No significant relationship found between social awareness and return on investment. Hypotheses four: relationship between relationship management and return on investment

<table>
<thead>
<tr>
<th>Type</th>
<th>Variables</th>
<th>Statistics</th>
<th>Social Awareness</th>
<th>Return on Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman's rho</td>
<td>Social Awareness</td>
<td>Correlation Coefficient</td>
<td>1.000</td>
<td>.047</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.499</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N</td>
<td>210</td>
<td>210</td>
</tr>
<tr>
<td>Return on Investment</td>
<td>Correlation Coefficient</td>
<td></td>
<td>.047</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.499</td>
<td>.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N</td>
<td>210</td>
<td>210</td>
</tr>
</tbody>
</table>

Source: SPSS version 17 results

There is a positive and significant relationship between relationship management and return on investment.

4.10. Analysis of Interview

Content analysis was applied to analyse our qualitative data. According to Cummings and Worley (1997), a popular technique for assessing qualitative data, is content analysis. Content analysis attempts to summarize comments into meaningful categories. The various comments from our respondents were summarised and analysed and the findings suggest that the respondents have some of the competencies associated with work place emotional intelligence which enabled them to contribute to their companies’ return on investment. The summary of our interview is presented below.In the course of our distribution and collection of the sets of the questionnaire, we posed some questions.
Some of the questions and the summary of responses of the respondents are presented below.

4.11. Self Awareness

_I understand and am aware of my own feelings, what triggers them and how to use them to manage my emotions._

It was the majority opinion that they understood and are aware of their own emotions, feelings, what triggers them and how to manage their emotions. For instance, a respondent made the following statement “Yes, I strongly agree that I am aware of my emotions, and this has helped me to perform my job and also enhanced my contributions to the success of my bank”. In summary, their responses suggest that; they can recognize their emotions; they know which emotions they are feeling and why, they know how their feelings affect their performances, their abilities to realize their feelings enhanced their contributions to the success of their banks.

_I have self confidence in whatever I do._

Majority of the respondents responded positively. For example, a respondent made the following statements “Yes I have self confidence, however, if I want to go into say an investment outside my job then I need to consult an expert in that area. In my own type of job, if you don’t have self confidence, you will not be able to perform well. Customers look at you to know whether you are the type of person they can deal with, of course if they discover that you are not the type of person that has self confidence, they will not trust you and that can result to loosing such customer. So my job requires self confidence. I have tried to acquire this skill while working with my bank, over the years.” One other respondent also made the following statement “Yes I strongly agree that I have self confidence in everything I do. My job is marketing, if somebody does not have self-confidence, I do not think that the person can do a good marketing job”. A summary of their responses is presented as follows; they know their capabilities, they have self assurance, they are decisive and can take decisions under pressure, they can take challenges, they are ready to learn and master new jobs, they are initiators and they feel that they have the ability to perform on any job.

4.12. Self Management

_I can manage and control emotions and behaviour in the face of interpersonal conflicts and demonstrate patience, rarely overact or lose control._

Most respondents answered in favour of this question. For instance, one of the respondents made the following statement; “of course, I strongly belief that I can control myself, this skill is very important in any organization. This skill is useful when dealing with people. I personally try as much as possible not to over react with people because if you over react, it looks as if it is personal. This skill has enabled me to work towards the achievement of my bank’s goals”. A summary of their responses is presented as follows; they can control their feelings and
emotions, they are patient and do not react spontaneously to issues, they practice positive thinking, they can work effectively with their plans, they can take important decisions, they can work under pressure and they can manage their time.

I can maintain balance and performance under pressure and stress, have the ability to effectively cope with ambiguity and change in a constructive manner.

Majority of the respondents responded positively to the question. The statements below captured and summarises their responses; they can cope with changes, they are flexible, they can work towards the achievement of their banks’ objective

4.13. Social Awareness

I can sense others’ feelings and perspective and take on active interest in their concerns.

Majority of respondents answered in support of this question. In a way of summary, their responses suggest that; they are sensitive to others’ feelings. They can recognize other peoples’ feelings. They know what people need and are willing to provide it to them. They are caring. They know what makes other people feel bad and are willing to avoid such. They can sympathize with others and try to solve peoples’ problems even without them telling them to do so.

I can read a group’s emotional currents and power relationships.

Most of the respondents did not answer in favour of this question. For example a respondent responded in this way “No, I do not agree to this. I am a one man show. But if you know that somebody has an influence over you, you should know how to play your card.” In summary, their answers suggest that; they cannot read emotional currents of group members. They are not good at playing organizational politics.

4.14. Relationship Management

I can sense other’s development needs and boost their abilities.

Most of the respondents responded positively. For instance, one of the respondents made the following statement: “Yes, I can develop others. I always include my staff for trainings to ensure that they learn new things which will enhance their performances. I motivate them by recommending them for promotion”. Another respondent responded as follows: “Yes I strongly agree I can develop others. I do this through training, taking them out for field works which is marketing, giving them instruction. I encourage my staff by recommending them for promotion when they deserve it, and that is a way of encouraging them to perform their jobs better”. One of the respondents also responded in this way “Yes I strongly agree, that I can develop others. For instance, there are some of my colleagues I know who are not performing well on
their jobs. I usually transfer them to some other jobs were they can perform better”. In summary, their responses suggest that; they can help others to be more effective. They encouraged employees to go for training, they can motivate the employees. They can render personal coaching to the employees. They are willing to transfer employees to jobs where they can perform better.

*I recognize what drives and motivates others.*

Most of respondents said yes, and supported their answers with reasons. In summary, their responses suggest that; they know what makes the employees happy and at the same time motivate them

*I am willing to initiate and manage change*

Most of the respondents, said yes. For example, a respondent, answers as follows; “Yes I can initiate and manage change. For instance, there was a special way of doing a certain job which I learnt from my former job in another bank, when I joined this bank, I brought in this idea and it was accepted here”. Another respondent responded as follows; “of course yes, change is the thing that is always constant. I was transferred just three months ago to this job and as you can see I am happy on this job.”

*I can wield effective tactics for persuasion*

Most of the respondents agreed. In summary, their responses suggest that: They are good at winning people over. They have effective strategies to influence others.

*I can negotiate and effectively resolve interpersonal differences with others.*

Majority of the respondents answered in favour. Their responses suggest that: they can manage difficult people and tense situations with diplomacy. They can spot potential conflict and prevent it from happening. They can handle disagreements successfully.

**4.15. Return on Investment**

*In the past five years, my bank has increased the value of share holders’ investment.*

Most of the respondents responded positively. Their answers suggest that the banks improved on their return on investment. A responded made the following statement; “yes, you told me that you are a share holder of our bank (referring to me) you can even speak for yourself, you know that we pay good dividends over the years. Last year we gave bonus shares; our share price is not performing badly. Other tangible assets are also increasing”.

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5. DISCUSSIONS

The findings of the statistical analysis of the hypotheses have proven that workplace emotional intelligence is significantly related to return on investment. The positive and significant relationship found among the three dimensions of workplace emotional intelligence and the Banks’ return on investment indicated that the more the workers of an Organization are emotionally intelligent, the more likely that the Organization will achieve return on investment. Our findings have been supported by several findings of similar studies around the world. For instance, Williams (1994) has reported that given comparable size, companies in which CEOs exhibited more emotional intelligence competencies showed better financial results as measured by both profit and growth. Our findings also support Harris et al (2009) assertion that several industries have richly embraced incorporating emotional intelligence in the workplace. By utilizing this framework, these industries have been able to manage complexity and expand profitability. In Hefferman el al (2005) study, finding suggests that the level of relationship managers’ emotional intelligence is correlated to profitabilility. Similarly, our finding is in line with that of Salicru (2005) who found that trained managers on emotional intelligence in American Express grew their businesses by 18.1% compared to 16.2% for those groups whose managers were untrained. Other studies such as those of Deeterschmeiz and Sojku (2003), (Higgs 2004), reported similar results.

As our interview analysis shows, most of the managers demonstrated the competencies associated with emotional intelligence which impacted not only on their performances but also on those of the employees and the overall performance of the banks. Their responses suggest that; they can recognize their feelings and those of others and are able to motivate themselves and the employees, form outstanding relationships with other colleagues and customers which enhanced their contributions to the success of the banks achievement of return on investment. Emotional intelligence is contagious, the bank managers as our interview analysis suggests, radiate with positive emotions which motivated them and other employees to perform their best for the achievement of the banks’ return on investment. Robbins et al (2007) have observed that when leaders feel excited, enthusiastic, and active, they may be more likely to energize their subordinates and convey a sense of efficacy, competence, optimism, and enjoyment.

6. CONCLUSIONS

The research work was conducted to find out the relationship between Workplace Emotional Intelligence and return on investment in the Nigerian Banking sector. Based on our findings and discussions, the following conclusions were made. This study has demonstrated that there is a strong relationship between workplace emotional intelligence and return on investment. The study has shown that as organizations in the Nigerian Banking industry increase their managers’ self awareness abilities of emotional self awareness, accurate self awareness and self-confidence, there will also be significant increases on return on investments. Self management is a critical factor for the success of any organization. Our findings that the self management abilities of the Banking managers correlated to the return on investment for the Banks indicated that by increasing the managers abilities of self control, trustworthiness, conscientiousness, adaptability,
achievement drive and initiate so also will the return on investment increases. The study further demonstrated that the more managers possess relationship management abilities of developing others, influence, communication, conflict management, leadership, change catalyst, building bonds, teamwork and collaboration, the more the increase in the organization’s return on investments. The finding that emotional intelligence is related to return on investment is noteworthy. This particular claim communicates a need for further research in the area of emotional intelligence and other measures of organizational performance.

7. RECOMMENDATIONS

Based on our findings/conclusions the following recommendations are made

(1) Nigerian Banking organizations should create awareness and promote Emotional Intelligence in their organizations. This could be achieved through the training of managers on Emotional Intelligence.

(2) Efforts should be made by banking organizations in Nigeria to help managers increase their emotional awareness competencies. This could be done by training the managers to improve their self-awareness abilities which include the managers’ emotional self awareness, accurate self awareness and self confidence. Formal offsite training programs may be more desirable.

(3) Organizations in the Banking industry should emphasize on developing their managers’ self management competencies which include; self control trustworthiness, conscientiousness, adaptability achievement drive and initiative.

(4) Nigerian Banks should develop through training their Managers’ Relationship Management competencies which include, Developing others, influence, communication, conflict management, leadership, change catalyst, building bonds, team work and collaboration.

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