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Editorial Note

The value based education in the area of business management requires the excellent research work on contemporary and emerging issues. The research provides innovation through the development of new ideas and creation of novel solutions.

GBAMS- VIDUSHI is a broad based journal that believes in knowledge creation and knowledge dissemination. It advances and promotes all the theoretical and empirical papers that add value to educational and entrepreneurial world.

We are presenting Volume 8 Issue No 02, July-December, 2016 carrying five papers.

Dr. José G. Vargas-Hernández and María Teresa Jiménez Castillo in their paper, '*Lean Manufacturing - A Tool For Improvement Of Production System*,' has dealt with the application of modern tool of Lean Manufacturing that helps us record the changes generated by its application on different companies. The present research project aims to make known the benefits of Lean Manufacturing on a production system.

Dr. L. Sudarshan Reddy and Kannamani R. in their paper, '*Justifying The Judgemental Sampling; Matrix Organization In IT Outsourcing Industry*,' have justified the probability vs. non probability sampling being representative of the target population. In this paper they have attempted to justify the sample size that they have chosen is truly representing the ITO industry's total population and justify the reason for choosing the authoritative sampling technique as their sampling technique due to various challenges & requirements such as the industry they studied and the people they interacted for the research survey.

Dr. V. K. Arora in his paper, '*Entrepreneurship: External and Internal Rationalization*,' has Analysed the internal and external rationalization factors that may have bearing on entrepreneurship. The paper also highlights certain operational framework for the budding entrepreneur to succeed in his/her venture.

Prof Rekha Prasad and Ms. Shruti Singh in their conceptual study, '*Training Interventions in Managing Employee Attrition in Banking Sector*,' have advocated that the training interventions in the banking sector can reduce the turnover intentions of employees as it adds to growth and development of inherent capabilities of employees making them more committed.

Mr. Adewale, A. Adekiya in his paper, '*The Role of Culture, History and Institutional Policies on Entrepreneurial Development: the Case of China as an Emerging Economy*,' has examined the role of culture, history and institutional policies on Chinese entrepreneurial development. The results uncovered indicate that historical events and cultural values are

important in determining the size and shape of entrepreneurship. In addition, institutional policies if properly utilized can act as a buffer in this relationship.

We are particularly grateful to our Chairperson, Respected Smt. Padma Binani, Shri. Braj Binani, Chairman, Binani Industries Ltd., and Shri I.K. Pugalia and Shri. R.K. Bagri, GD Binani Education Society, for their ever active involvement, sustained support and encouragement in making GBAMS, a professionally and progressive centre of Management Studies.

'GBAMS-VIDUSHI' is being critically reviewed and edited with the point of view of precision of thought, novelty of ideas and its pragmatic application. We hope that the selected papers would benefit and add value to the knowledge of our readers.

We take this opportunity to record and acknowledge our sincere thanks to our Advisory Board and the Editorial Board in particular, for contributing their valuable and precious time, in finalizing this issue of the journal.

Prof. Dr. Zeeshan Amir.
Editor-in-Chief.

Lean Manufacturing- A Tool for Improvement of Production System

*José G. Vargas- Hernández

**María Teresa Jiménez Castillo

Abstract

The present research project aims to make known the benefits of Lean Manufacturing on a production system. The application of this modern tool of Lean Manufacturing helps us record the changes generated by its application on different companies. This is analyzed by using different research methods, such as collection and documented analysis. Finally the results are exposed through the data organised in table and graphs highlighting the efficiency of this tool by checking their validity. Success stories are also exposed in the implementation and relevant information drawn that could be used as a basic for new businesses that decide to use this application

Keywords: Competitiveness, lean manufacturing, production costs, production system and quality.

Introduction

Achieving continuous improvement and innovation is a difficult task that businesses face every day, all to increase competitiveness. A very important point in which business focus attention is on production, how to save time, streamline processes, improve quality, eliminate waste, reduce costs, among other relevant aspects for profitability. The problem in this area has existed since ancient times that those involved have been forced to create tools and techniques for their solution, achieving competitiveness in the market.

Lean manufacturing, in Castilian "lean production", is a method that aims at the elimination of waste and junk and all those activities that do not add value to the product and for which the customer is not willing to pay, It uses a collection of tools (TPM, 5S, SMED, Kanban, Kaizen, heijunka and jidoka.) which were mainly developed in Japan for automobile production.

* Research Professor, Administration Department, University center for Economic and Managerial Sciences, University of Guadalajara.

** Professor, University Nucleus Los Belenes Zapopan, Jalisco, Mexico

Melton (2005) shows that only 5% of the activities of the companies add value and 60% do not add value at all. Taj and Berro (2006) state that manufacturing companies waste about 70% of its resources. Jones, Hines and Rich for many organizations claim that less than 10% of the activities add value and almost 60% do not add any value (Mantilla & Sánchez, 2012).

The purpose of this text is to present the application of lean manufacturing that gives the continuous improvement of a production system along with the importance of using this method, and benefits. The implementation of lean manufacturing solves a variety of problems in a company, among which are, overproduction, waiting period, inventory, transportation, defects, process waste, and unnecessary movements, among others. For a business to achieve a better return on revenue, it is essential to have the customer satisfaction, by offering a better product quality, reduced waste and prices and times. These issues can be resolved with the implementation of the important methodology known as lean manufacturing.

Background

Lean is a word of English origin, applied to a production system that can be translated as agile, flexible, that is able to adapt to customer needs. This term was first used by John Krafcik, in his attempt to explain that lean production is lean because it uses fewer resources compared to mass production (Rajadell & Sánchez, 2010, pp. 1). The starting point of mass production is lean production. During the first half of the twentieth century it was spread to several sectors. The concept of mass production conceived and developed in the automotive sector.

The crisis is recognized in the model of mass production, which has been found in Fordism and Taylorism, not only mean the production of objects in large quantities but encompasses a whole system of technologies, markets, economies of scale and rigid rules, ceased to be feasible. The historic achievement of Taylorism was to end the control, the worker had about how to do the work and production times. In its logic of the division of labor, each factory, department or section pursues its specific target without bothering to seek first the optimization of the whole production (Rajadell & Sánchez, 2010, pp 3).

After the crisis in the market in 1929, the United States suffered a crisis of overproduction, expressed in a subset of masses against the real productive capacity of society. By this reason, the implementation of Fordism was required, which could generate a market for the large cumulative production. In this control work is given by the standards incorporated in the automatic machine i.e., the movement of the machines dictate the required operation and the time allotted for its completion.

After World War II there was a great expansion of mass production organizations, partly because of US foreign policy, responding to economic criteria of increased aggregate demand and the stability of its markets. However, in the late 60s of last century, the model began to deteriorate, low productivity and fixed capital per capita began to grow, which resulted in decreased levels of profitability. The model reached its limit and it was necessary to adapt.

Several scholars with European and American classical training refused to accept that, lean manufacturing was one method; so Taiichi Ohno took the initiative to implement in Toyota, but the truth is that this technique emerged just in the middle of the twentieth century in the Toyota Motors Company. In 1949, Toyota suffered a drop in sales so it was forced to make workforce staff cuts after an extensive strike. For the year 1950, a Japanese engineer Eiji Toyoda, made a trip to the Ford Rouge plant and study concluded that the main problem in a production system is wastage (Rajadell & Sánchez, 2010, pp. 3- 4).

In 1973, after the oil crisis Toyotism began to take hold, replacing Fordism and Taylorism, prevailing in many sectors with the new method of lean manufacturing, and aiming at the completion of a new way of working by eliminating unnecessary activities in production area. Such actions favored the global economy (Dennis & Pascal, 2002).

Delimitation of the problem

Therefore, the research questions are:

- A. How continuous improvement and optimization of a production system is obtained through the implementation of lean manufacturing?
- B. How to generate greater competitiveness in Mexican companies through continuous improvement in production system, optimizing the quality, through the implementation of lean manufacturing?

Justification of the problem

Production is one of the areas of greatest importance in any business because the activities are those that generate more costs. Therefore, it is of vital importance that this concept be granted the value it deserves.

To achieve better profitability in terms of production is one of the issues that has retained its importance within a company since its inception. Over time, they have developed a myriad of techniques to meet this great need. Lean Manufacturing is a system that acquires business efficiency and achieve continuous improvement of the production area by applying different tools. Its implementation has been done successfully growing prodigious results.

Hypothesis

Independent variable X0: Lean manufacturing.

Dependent variable Y0: continuous improvement of a production system.

A. General hypothesis

$H_0 = X_0 \rightarrow Y_0$

The implementation of lean manufacturing has a positive impact on continuous improvement and optimization of a production system.

B. Specific Hypothesis

H1: $X_1 \rightarrow Y_1$

Waste reduction affects the production costs to decrease.

H2: $X_1 \rightarrow Y_2$

Waste reduction directly affects the competitiveness of businesses.

H3: $X_1 \rightarrow Y_3$

Waste reduction manages quality for better customer satisfaction.

Table 1. Description of research indicators

VARIABLE	DESCRIPTION	INDICATORS
X_0	Lean Manufacturing	X_1 Waste reduction.
Y_0	Continuous improvement of a production system.	Y_1 Production costs Y_2 Competitiveness Y_3 Quality

Source: Own elaboration.

Objective

A. Overall objective

Analyze continuous improvement and optimization of a production system through the implementation of lean manufacturing.

B. Specific objectives

Generate greater competitiveness in business through continuous improvement of a production system, optimizing the quality, through the implementation of lean manufacturing.

Conceptual framework of lean manufacturing

The main types of waste are classified into the following categories:

- 1) Overproduction
- 2) Timeouts
- 3) Transportation
- 4) Processes
- 5) Inventory
- 6) Movements
- 7) Defects

Lean Manufacturing is a methodology that focuses on eliminating any losses, temporal, material, efficiency or process. It is to eliminate the useless with the aim of increasing productivity and the ability of the company to compete successfully in the market. The goal of lean manufacturing is to propose process improvements through the analysis of the value chain, and implementation of quality tools and macro indicators (Rueda, 2007).

Lean Manufacturing has several tools that help to eliminate all operations that do not add value to the product, service and processes, increasing the value of each action and eliminating what is not required. Reduce waste and improve operations, always based on respect for the worker. Lean Manufacturing was born in Japan and was conceived by the great gurus of the Toyota Production System: William Edward Deming, Taiichi Ohno, Shigeo Shingo, Eijy Toyoda among some (Pineda, 2004 pp. 12).

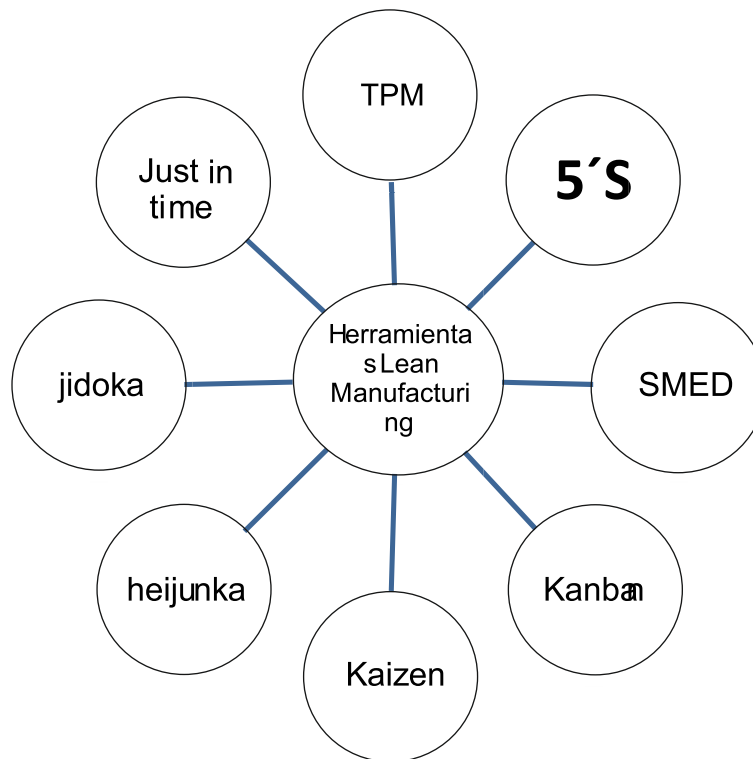


Figure 1. Main tools of Lean Manufacturing
Source: Own elaboration.

Theoretical framework

Traditional production

Traditionally the customer dealt with manufacturers to acquire product, no matter with high cost

Theoretical proposal

Over the years academics have been created different theories for improving this system, as it has been previously mentioned, all with the same desire to achieve continuous improvement. some of them focusing on the part of the process requires more time, thus to reduce it so that the overall decrease in time in the production process; another is particularly based on the direct relationship of the owner with both the client and with workers and contractors; as well as the theory focused on the time and motion study for standardization work.

Given many investigations it is known that the application of improvement tools in a production system brings a variety of advantages, as is the reduction of time, waste, costs and inventories, increased product quality and improved profitability and thereby generating a more competitive business.

Conceptual framework of a production system

Then it is presented the concept of production system to assist in the acquisition of knowledge to the most advanced understanding of the subject.

Production system

A production system is defined as a set of parts that relate because they have a common purpose. They share a goal or objective to be served. Each of these parts can be taken as a subsystem or organism. For these reasons a production system is considered as the set of components which interact in the design of a process by which are obtained the processing elements into useful products (Kons, 2008).

A production system uses operational resources to transform inputs, which are specified as raw material, customers or any product from another system, a type of desired result (Virtual Campus, 1994).

General systems theory

The general theory of systems (TGS) is a tool depicted as a systematic way of approaching reality by explaining phenomena that enable a prediction for the future of this reality through analysis of internal and external interactions with medium.

Apply mechanisms that allow to study the phenomenon by analyzing its parts, but also does so from a synthetic approach that illustrates the interactions of these parts (Synergy: the whole is

greater than the sum of its parts). The TGS does not seek to solve problems but create conditions for applying theories in empirical reality (Arnold & Osorio, 1998).

Systems theory (TS)

Systems theory is a specific branch of general systems theory which seeks general rules easy to apply to any system and level of reality. This presumption arose from the need to scientifically understand a particular system, which are a reality and are generally complex and unique. The TS arises in the twentieth century with the aim of finding concepts and laws for the description of all kinds of systems, whether real or physical (Moreno & Domínguez, 2011).

The company known for being one of the most successful companies in the automotive business started what today it is known as Lean manufacturing. After World War II, the company was facing great difficulties, as the abundant demand for vehicles which had despite working in a small market and the increasing demands of subordinates. Taichii Ohno decided before the problems they faced at the time, look for a different approach to production, studying mass production and artisanal get to know their weaknesses, and finally after much effort and dedication managed to create the methodology known as the Toyota Production System (TPS), which applied resulted in the reduction rate in the process as waste, all this also based on the acquisition of continuous improvement. Over time the tool continues to evolve, throwing of course better results as it was perfected.

Theoretical proposal

Analyzing the above theories it is understood that researchers in their quest to try to find solutions to existing problems in systems, have contributed to the construction of rules and laws giving in turn a result in the creation of variety of theories as the above mentioned, some focusing on the analysis phenomena approaching reality. All this is in order to make future predictions thereof. Others are aimed at finding inquiry to bring laws and general rules applicable to all types of system.

Research methods

Types of research

The methodology used to analyze the impact of the implementation of Lean Manufacturing in a production system is the method of literature review to begin research, consulting several sources of reliable information for the acquisition of theory based on the theme. Then, the technique of documentary analysis was used, extracting the information necessary and important to pass it and transform it for easy understanding, and finally resorted to instrument data collection for the purpose of obtaining fundamentals of applications made before the tool study (Lean manufacturing), in order to have a history of the results achieved with its implementation and experience gained by people outside this investigation.

Research design

Table 2.

Variable	Description	Indicator	Concept	Instrument	Operationalization of variables	Determination of size sample	Data analysis
X	Lean Manufacturing	X ₁ Waste reduction	Lean Manufacturing is a methodology that focuses on eliminating any losses. It is eliminating the useless with the aim of increasing productivity and the ability of the company to compete successfully in the market (Rueda, 2007).	Literature review Documentary analysis technique. Data collection instrument.	Gather information to see how the application of Lean Manufacturing generates waste reduction and thus a variety of advantages for business improvement.	For this particular case it is not necessary to determine the sample size.	Statistical analysis Correlation
Y	Production System	Production costs. Competitiveness. Quality	A production system is considered as the set of components which interact in the design of a process by which the processing elements into useful products is obtained (Kons, 2008).	Documentary analysis technique. Literature review.	Get information confirming as the production system is affected by lean manufacturing methodology changes provided on quality, productivity and production costs.	For this particular case it is not necessary to determine the sample size.	Statistic analysis Correlation

Source: Own elaboration

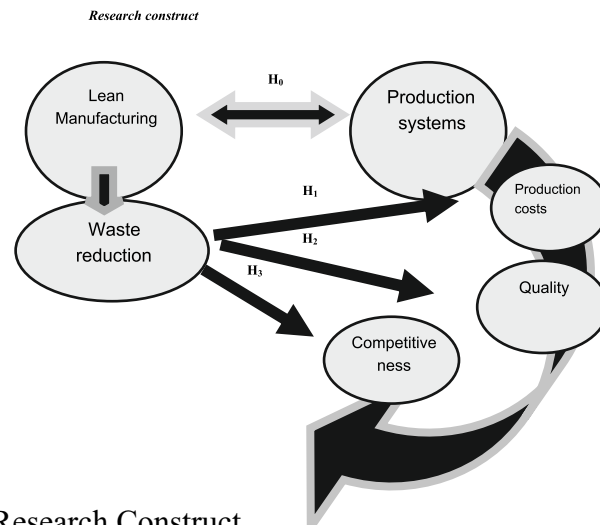


Figure 2. Research Construct
Source: Own elaboration

A. Research instruments

1) Review of empirical literature

Toyota is one of the most famous companies that gained success through the application of the methodology known as Lean Manufacturing. That company had much to do in developing this tool for application in various companies that were seen in the need to improve their production system and faced great difficulties because they failed to understand all aspects covering the key point was that the bad habit of only implementing the tools but not understanding that included a broad philosophy, a different mentality had continuous improvement and work of all parties as a system. The above findings were obtained through the efforts and work done both by the president and workers of Toyota; it is due to them the success of the application of this instrument in other businesses.

The above data and much of this research were obtained through review of the empirical literature, consulting a variety of reliable sources that will give the required information according to their needs, selecting only exclusive information to be used in this text.

2) Document analysis

It is analyzed the information gathered through the literature review in order to understand and transmit in such a way that allows the reader an easy and further reasoning, transforming information but without changing its meaning to the words, obtaining with this acquisition the knowledge more easily. Of the sources that refer to Lean Manufacturing are taken the main ideas and specific cases of successful implementation supporting the efficiency of the strategy in case it should be implemented properly, giving importance and credibility to the subject.

3) Data collection instrument

The instrument will allow extracting required quantifiable information. For purposes of this study, there are cases of companies that chose to use Lean Manufacturing as a method for improving its production system, increasing their competitiveness and profitability, taking these cases as witness and support research.

B. Statistical treatment

According to the data collected and the extracted information, a thorough analysis is conducted to find the reasons why the application of Lean Manufacturing in some companies has not succeeded, as the reason why in some other worked perfectly. Also, to show if it really has benefits in the production system, either in reducing production costs, quality or competitiveness of the business itself, this being supported by actual data.

C. Limitations

Some of the limitations that arose during the development of this research were the very short time with which counted for the completion of work, as well as difficulties in acquiring information about companies that had already implemented the tool issues. They are having established policies and one last question were the resources, in this rare case to cover entire stay.

Analysis of results

In this part is shown the data obtained through the research, these results are from studies, surveys and applications made by experts and interested in the subject, which serve as a basis to check and properly apply the methodology Lean Manufacturing, giving advice, tips and techniques. The reasons why businesses fail are many, the main are presented in the graph, which clearly can be seen that 16% of Mexican companies go bankrupt due to problems in production, i.e., they needed improvements in this area to continue to survive.

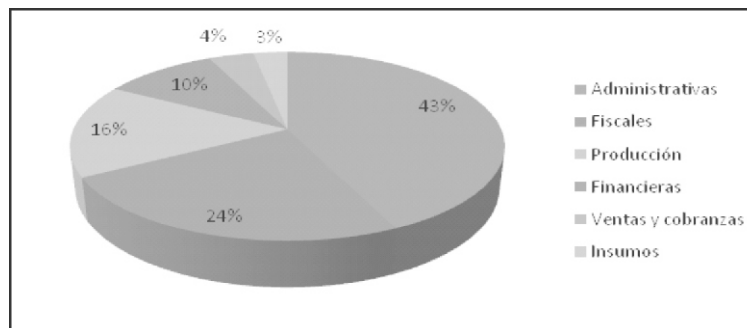


Figure 1. Causes of failure in business in Mexico.
Source: Tejeda (2011).

The business problems in the production area abound very often. So, it is convenient to attack them on time. Lean Manufacturing is a very effective method when there are such complications as it has proven to be ideal for companies that have been generating the opportunity to adopt several benefits as shown in the following figures.

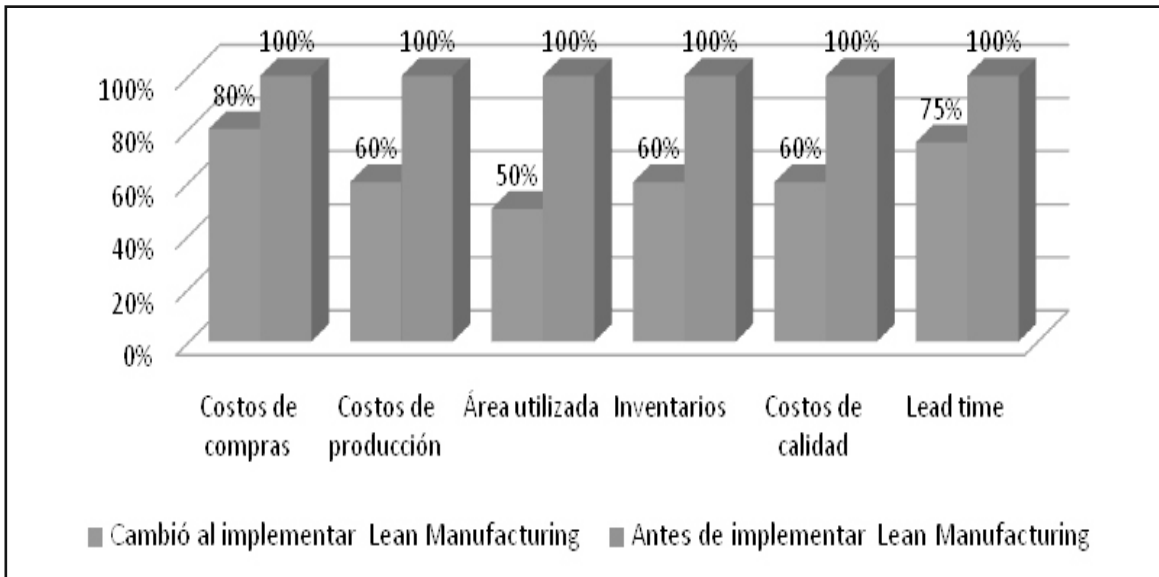


Figure 2. Benefits of the Lean Manufacturing implementation

Source: Hernández y Vizán (2013).

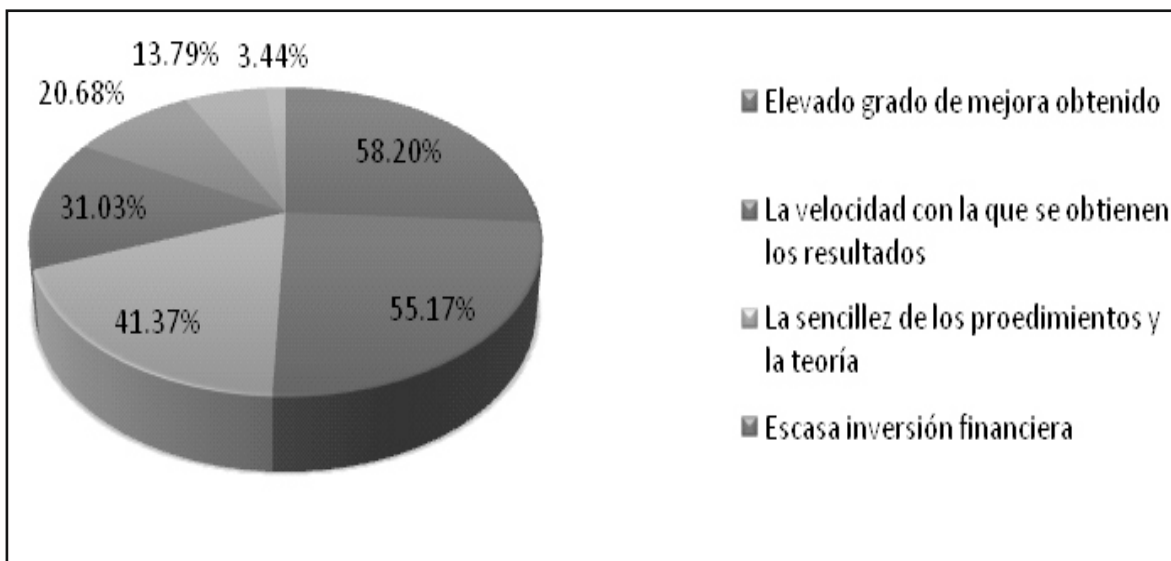


Figure 3. Motives for Lean Manufacturing implementation

Source: Tejeda (2011).

This actual information corresponds to the fundamentals studies obtained by the researchers interested in the subject to companies that favored the technique Lean Manufacturing. If the data is analyzed, it is concluded that there is indeed a reduction in both costs and inventories and process times considerably. Although the implementation of Lean Manufacturing brings many benefits, it is also true that it has its complications and that is not so easy to apply. In the following outline the challenges that exist normally are exposed.



Figure 4. Challenges of implementing Lean Manufacturing
Source: Own elaboration

The following diagram (Figure 5) shows some reasons why it is not advisable to opt for the implementation of this tool, since if done in these circumstances could shed no very favorable results.

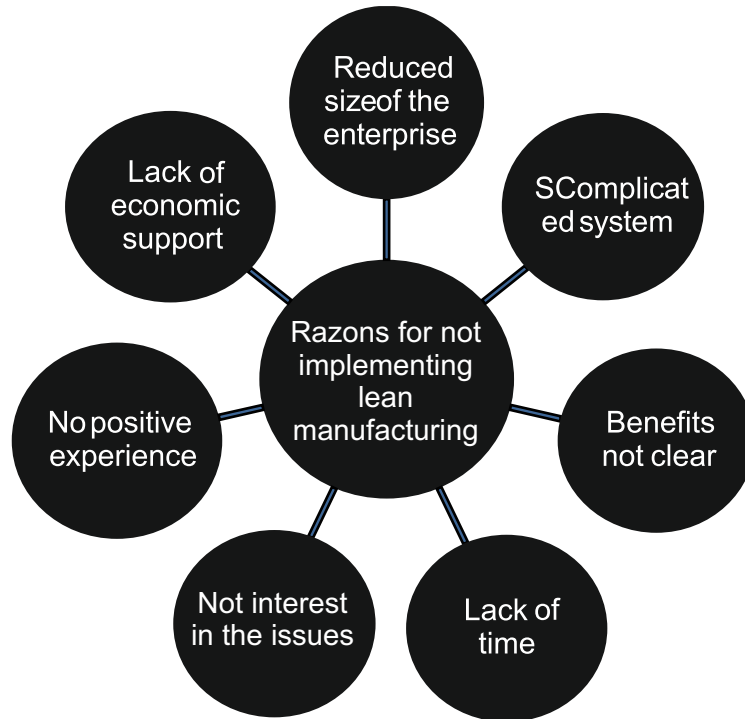


Figure 5. Reasons for not implementing lean manufacturing in a business.
Source: Own elaboration

Problems in production systems can be reduced by using techniques such as lean manufacturing, because analyzing the situation most of the activities carried out in this process do not give value to the product, i.e. a large component comprises only waste. The graph yields data that indicate that the only thing that gives value to the product corresponds to 67% of the activities, i.e., the customer only pays for that, the rest is considered waste.

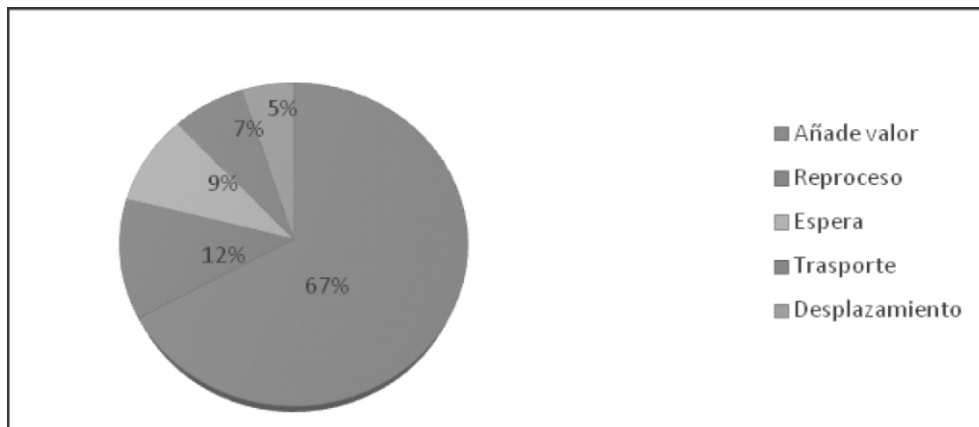


Figure 6. Value creation
Source: Prodintec (2011).

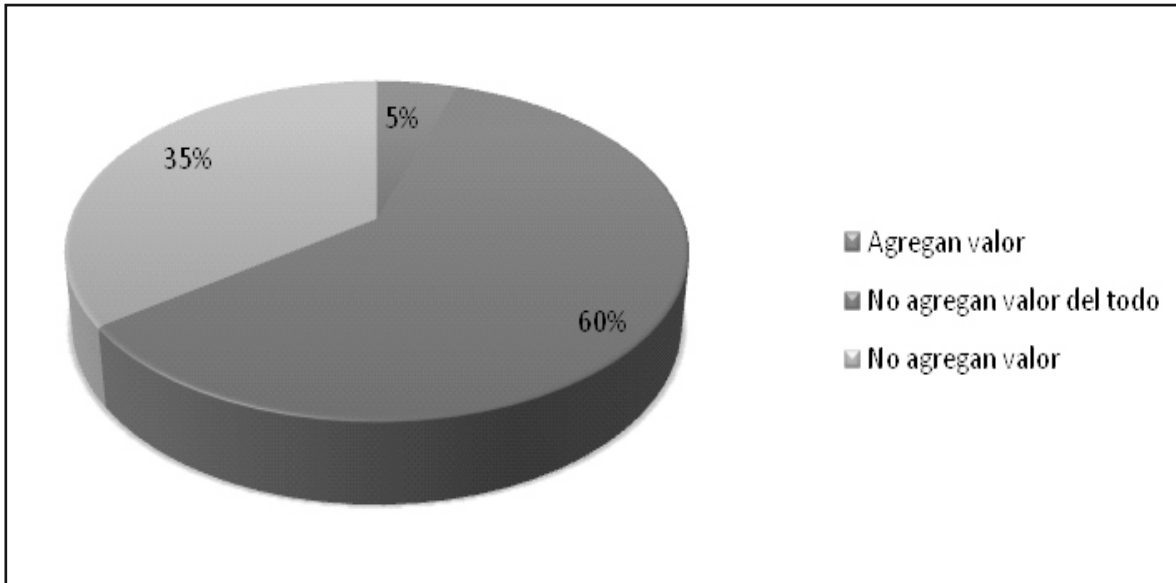


Figure 7. Activities that add value to the product according to Melton (2005)
Source: Own elaboration

In the figure above is shown another perspective of the activities that add value to the product according to Melton (2005), in which he describes as only 5% of the activities that are done, showing that most of these activities are waste by which the customer is not willing to pay.

Conclusions

Objective

Examining the goal set at the beginning of the project, which focuses on the analysis of continuous improvement and optimization of a production system through the implementation of Lean Manufacturing, it is considered that research has contributed to a support or even check that indeed the tool helps in the process for solving the problem the enterprise has, including providing many advantages for the company to achieve profitability and therefore the desired competitiveness.

With the information gathered it has gone further, knowing some of the reasons why the implementation of Lean Manufacturing has been successful, but equally stating reasons why it has failed. It is considered as one of the main and most important, the fact that companies only focus on the application of the tools of the methodology, but do not understand the whole philosophy that this entails, or why their essential work as a whole. Equally it is noteworthy that must acquire a mind set of continuous improvement to achieve favorable results.

Probing assumptions

The assumptions were tested in the course of study because certainly the production system is enhanced by Lean Manufacturing, data is provided from reliable sources to prove it. Only the key to success is in the correct application, in putting all disposition and possible commitment from all parties involved, and not to resist change because cultural changes are generally presented as an obstacle to improving. It is not easy trying to impose a new way of thinking from people.

Findings

A finding found was that the main problems to which companies face that are inclined to implement Lean Manufacturing is the lack of culture by involved individuals, besides the ignorance and misinformation before putting it into practice, also highlighting the fact it does not fully understand the immense philosophy encompassing the tool.

Contributions

Personally work has left with an infinite number of contributions, the most important is the acquisition of a vast amount of knowledge from learning about the selected topic to new research techniques, plus all the experiences that occurred during the stay as well as the many pleasant experiences such as being able to take for a short moment the role of a researcher

Implications

The completion of this research project has had some important contributions to businesses in general because it provides reasons, advantages, and applications of Lean Manufacturing that can be taken as a basis in case of opting for this technique.

Future research

A topic to address in the future is analyzed in this project, but now carries it out in a company that requires it, not as it would like to wait the time needed to witness the changes, that is a goal to be proposed.

Limitations

I believe that one of the limitations to this study will be developed appropriately was the time which was available for the investigation, since it was taken into consideration to implement the tool but as described above to obtain the results needed to wait a prudent time, ranging from two years on, and in this case unfortunately is what most lacking.

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Justifying The Judgmental Sampling Matrix Organization in Outsourcing Industry

* L. Sudarshan Reddy

* Kannamani. R

Abstract

Sampling is the technique which helps to select portion of people from the total population. Though the percentage of the sample size is comparatively smaller than the target population, however the small numbers of respondents are representing the entire population. In general, people believe that the sampling techniques comes under probability sampling that are representative sampling and the techniques which come under non-probability techniques are not representing the total population. But conceptually the negative thought on non-probability technique is wrong and in some cases researchers have to use only the technique comes under non probability sampling such as convenience sampling, judgmental sampling and snow ball sampling due to the nature of the study being conducted by the researcher, that is the reason the non-probability technique exist in the industry and in use by the practitioners. In this paper we attempt to justify (Beyond the doubt) the sample size we choose is truly representing the ITO industry's total population and justify the reason for choosing the authoritative sampling technique as our sampling technique due to various challenges & requirements such as the industry we study and the people we interact for the research survey.

Keywords: Homogenous, heterogeneous, Matrix organization, IT outsourcing, Infrastructure technology outsourcing, Respondents, Sampling, Population, Leadership.

Abbreviations:

ITO Infrastructure technology outsourcing, MOS- Matrix organization system, IT-information technology, NDA- non disclosure agreement, CEO- chief executive officer, CTO- chief technology officer, CIO- chief information officer, CFO- Chief finance officer, EVP- executive vice president, SVP- senior vice president, VP, vice president, MD-Managing director.

Sampling technique:

According to Webster (1985), the research is to re-search or investigate thoroughly on a particular topic or subject. It is a careful or diligent search, academic inquiry or inspection especially investigation or experimentation aimed at the discovery & interpretation of facts, revision of acknowledged theories or laws in the light of new facts or applied application of such new or revised theories or laws, it can also be the group of information about a specific subject.

* Professor, Faculty of Management, Jain University, India

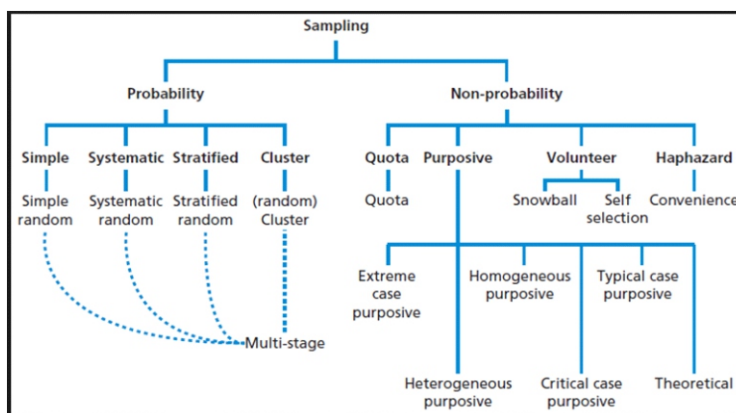
* Doctoral Scholar, Faculty of Management, Jain University, India

Sampling is required because we typically cannot gather data from the entire population due to large or unreachable population or lack of resources. Even in small populations, the data may be needed immediately and including everyone in the population in data collection may take too long. In other words, a sample is a finite part of a statistical population whose properties are studied to gain information about the whole population (Webster, 1985). When dealing with people, it can be defined as a set of respondents chosen from a higher population for the determination of a survey. A population is a group of individuals, items or objects from which samples are considered for analysis. For an example a population of lecturers, books or scholars. Of course, there are good and bad samples, and various sampling methods have different strengths and weaknesses. Sampling technique broadly classified into two types. 1. Probability sampling (Random sampling) 2. Non probability sampling (Non- random sampling).

Purposive/Judgmental sampling:

Purposive sampling (It is one of the non-probability sampling method, also known as judgemental sampling, selective or subjective sampling, directed sampling and authoritative sampling) is a sampling technique in which researcher trusts on their own judgment when picking members of population to contribute in the study. Researchers often believe that they can obtain a representative sample by using a sound judgment, which will result in saving time and money”.Purposive sampling method may prove to be effective when only limited numbers of people who can serve as primary data sources due to the nature of research design, aims and objectives. Systematic planning supports the defensibility of a judgmental sampling scheme and helps prevent it from devolving into haphazard sampling. The following points need to be considered as a checklist of criteria to be used when evaluating a judgmental sampling plan.

1. Reliability with sampling goals
2. Documentation of reasoning for selecting sampling sites
3. Adherence to correct sampling processes.
4. Description of correct systematic methods
5. Accurateness and robustness of conceptual model.
6. Credentials and knowledge of the professional making the judgement.



(Source : <http://research-methodology.net/sampling-in-primary-data-collection>)

Heterogeneous in Homogeneous:

Homogenous sampling involves selecting similar cases to further investigate a particular phenomenon or subgroup of interest. The logic of homogenous sampling is in contrast to the logic of maximum variation sampling which is also called heterogeneous sampling. Homogeneous sampling is used when the goal of the research is to understand and describe a particular group in depth. In our study we see the entire population of twenty one ITO companies as Homogeneous group as they belong to the same industry (Sharing similar work, Job nature, work style, technical skills, ability) but at the same time they all belong to 21 different organizations where they share the different characteristics (HR Policy, Country, Work style, internal policies, culture, language) so they are twenty one heterogeneous groups. So our population has a different nature of characteristics by default.

Theoretical evidence for Purposive sampling:

Patton, M. (1990) mentioned that the reason and authority of purposeful sampling lies in choice of information rich cases for study in depth. Information rich cases are those from which one can learn a great deal about issues of principal significance to the purpose of the research, thus the term purposeful sampling. For example, if the need of an assessment is to increase the effectiveness of a program in reaching lower socio-economic groups; one may learn a great deal more, by concentrating in depth on understanding the wants, benefits, and motivations of a small number of sensibly selected poor families than by collecting standardized information from a large, statistically representative sample of the complete program.

Palys (2008), in his book Purposive sampling, discussed that the purposive sampling indicates that one sees sampling as a sequence of strategic choice of whom, where and how one does one's research. This statement denotes that the technique requires that the researchers sample must be tied to their purposes. A second inference follows from the first: there is no one best sampling strategy because which is best will depend on the situation in which researchers are working and the nature of their research objective(s). Charles Teddlie (2007), in his paper titled "Mixed Methods Sampling: A Typology with examples" argued that the purposive sampling techniques basically encompasses two goals such as:

1. Sampling to find occurrences that are representative or typical of a specific type of case on a dimension of interest
2. Sampling to attain comparability through different types of cases on a dimension of interest.

Sara Elder (2009), in a book called "A methodological guide" which was released by ILO, illustrated that "A purposive sample refers to collection of units based on individual judgement rather than randomization. This judgmental sampling is in some way "representative" of the population of interest without sampling at chance. One of the most common uses of purposive sampling is in studies based on very small numbers of areas or sites. In these studies, variability with random selection is predictable to be excessively large and, hence, potentially more damaging than the bias inherent in selection by judgement. The areas included may be determined on the basis of judgement although, within each area included, the selection of ultimate units may be randomized. There are six types of purposive sampling procedures that are based on accomplishing representativeness or comparability, they are typical case sampling, extreme or deviant case sampling, intensity sampling, maximum variation sampling, homogeneous sampling, and reputational sampling. Though some of these purposive sampling techniques are aimed at producing representative cases, most are aimed at producing conflicting cases. Comparisons or contrasts are at the very core of QUAL data analysis

strategies (Glaser & Strauss, 1967; Spradley, 1979, 1980), including the contrast principle and the constant comparative technique.

What we study:

We are studying the present condition on the matrix organization being used in ITO industry in order to understand the challenges that they are facing currently. We are incorporating few common challenges which we have identified through the review of literature in non IT sector and correlating the factors that are applicable to ITO industry and see if the proposed remedies can be of any help in order to overcome the challenges. The nature of Non IT business and IT business are totally different due to various factors so we would be able to identify few new areas because of the way the business is being operated globally.

Target organizations and population size:

Unfortunately there is no organized body such as NASSCOM elsewhere in the world, so for global statistics, we need to rely on various reports in order to find the global ITES players details through various permutation and combinations. Based on various resources such as CIO from Everest group, CRN, Mbaskool, Wikipedia report, servicestop100.org, Forbes we have identified the organizations that are doing Infrastructure outsourcing companies as part of their IT business. Out of these 21 organizations, many of them are based (HQ) in USA, UK and Asia. But they run business across the global. We considered an organization that has an employee count more than 10,000 and they are at least at CMM level 3 & above. Our total population would be approximately 12, 00,000 across the global from 21 organizations.

Target Audience:

As we want to know the current state of matrix organization in the ITO industry and attempt to improve the effectiveness by giving a solution for the identified problem, we would like to get an opinion from every category of the employee, which is from a fresher to CEO of the company. If we get an opinion only from employees, we may miss an opinion at operating governance level. If we meet only leadership, we may miss an input from bottom level employees. When you cover bottom and top level, we may miss feedback from middle and senior managers who always work with employees and the leadership. They are the backbone of implementing policies. So in order to get 360 degree feedback, we cover all possible level of employees.

Obstacles in reaching respondents:

- **NDA**-Most of the employees who join in an IT company they need to sign on a non-disclosure agreement where they should not reveal any information about the organization, policies, procedures, client information, client's data, etc to the outsiders.
- **Information Security**- To avoid the security breaches and safeguard the customer (based on the service level agreement with the clients) IT service providers should not share any details as it may also relate to the client's data.
- **Employee details** Disclosing employee's details to others may open a path for hackers to steal the data and misuse for any wrong purpose so getting the contact details from human resource department is not all possible in IT companies. Unless otherwise it is for their internal use, they do not share.
- **Physical access**- Unlike other industry such as education institute or any public organization,

reaching an employee to meet in person is not possible.

- **Strategic business units:** Most of the IT companies are running with multiple SBUs. Since our research is specific about ITO (Infrastructure technology outsourcing or sometimes called as ITES companies), as an outsider it is not practically possible for us to divide the employees belongs to ITO.

Drawing Sample size:

Our estimated or proposed sample size is 350-400. We arrived at this number not because of any convenient reasons but based on a statistical approach such as by considering sufficient number of respondents from each organization and draw the number for purposive sampling based on theoretical evidence which can be compared with any other statistical technique; that is finding a number through simple random technique (Probability sampling) and the number of responses what we get from purposive sampling is going to be equal or closer.

1) Below is the approach that we are calculating sample size by using simple random technique:

$$\text{Sample Size} = \frac{\frac{z^2 \times p(1-p)}{e^2}}{1 + \left(\frac{z^2 \times p(1-p)}{e^2 N}\right)}$$

Z = Z value (for 95% confidence level = 1.96)

p = percentage picking a choice, expressed as decimal (50% = 0.5)

e = confidence interval or margin of error ($\pm 5\%$ = 0.05)

N = Population (1222750)

So the sample size = 384

2) Considering acceptable number of respondents from each organization

Respondents from 21 organizations

15/18 respondents from each organization

21*15 (or 21* 18) = **315 to 420** Sample size

In both the cases, the number of sample size is almost closer to each other. By this way we ensure that the number that we have drawn is not for our convenience but based on statistical analysis.

Why Non probability- Purposive technique:

The primary reason for not selecting any of the probability sampling techniques is to avoid the unrepresentative sample by choosing any of the probability sampling technique. Academically, this reason may be new but however it was necessary because of various reasons mentioned under the sub title “Obstacles in reaching the respondents”

Weighing the respondents:

In general, a selected sample is a miniature version of the population size. This should be reflected in the sample being representative with respect to all variables measured in the survey. Sometimes this may not be the case and we may have to justify the number of respondents as to how they are representing the entire population. It may cause some groups to be over or under-represented. In this case no reliable conclusions can be obtained from the collected survey data, unless something has been done to prove the connection between the sampling size and total population and how they are truly representing the total crowd. A commonly applied correction technique is weighting adjustment. It allocates an adjustment weight to each survey respondent.

In order to get the response or opinion which is close to the population size and also can be the representative sample, we decided to assign a weight to the individual responses. In an organization, leadership is the one who leads either the entire organization or lead the division/SBU of the company so.

The Leadership (President, CEO, CFO, CIO, CTO, EVP, SVP, VP, Country Head, Regional Head, MD, Director, General Manager) of the company may be leading human resources of 25000 to 400000. A senior management professional (Associate director, AGM, DGM, Tower Head, vertical Lead, Business lead, Asst/Associate VP) they may lead human resources of at least 4000 to 25000 based on the company size and also a vertical they head. Project management Professionals are individual contributors but since they are the one who lead the project team for multiple temporary assignments, they involves at least 1-20 people, as Managers (Functional, people, Service Delivery, Account Delivery, Operations Manager) they lead at least 20-50 people in organization and Professionals (Engineer, Analyst, Consultant, Architect, Tech Lead, Team Lead) we consider as pure individual contributors. So, on an average we weigh the respondents as below:

Response category	Weightage	Respondents	Response equal to (Respondents *Weightage)
Leadership	35000	25	875000
Senior Management	4000	70	350000
Managers	40	100	4000
PMP	20	30	600
Professionals	1	150	150
Total		375	1229750

Justifying judgmental sampling:

- Collecting the sample from all the organizations; 21 organizations globally and 15 to 18 respondents from each organization, thus ensuring an equal representation from every organization.
- We are not only ensuring that the respondents are from all 21 companies but also we ensure that the respondents from various continents such as North America, South America, Asia, Europe and Australia are included. Further we have ensured that various countries; people from various positions such as leaders, senior management professionals, project management professionals, managers and technical or business professional, are part of the derived sample.
- There may be a question from various people on sampling size, that is since this is the non-probability method how the number of samples are drawn. Though we do not use any probability sampling such as simple random technique, but we have used a formula which is applicable for simple random technique and obtained the number. By using the purposive sampling technique we ensure that we are equal or close to the number what we get in probability sampling.

In order to ensure and or to prove the samples are truly representing the entire target population, we assign a value to each respondent category based on the position they hold in the organization.

Conclusion:

When we are opting for non-probability sampling method for our research, obviously it becomes our responsibility to prove that the technique which is supporting us in obtaining the results is without any bias. The purposive sampling is most often engaged due to some specific purpose and in our research also it is an unavoidable situation to use this method to obtain the expected research outcome. Though we have attempted to consider the probability sampling techniques, unfortunately they would not produce the appropriate result. Since we

have accommodated non-probability purposive sampling based on our research design and the nature of the target population, we are able to produce all the justifications on what are the challenges we face in terms of data collections and the procedure what we have followed to collect the data is statistically correct. Though the number of sample size does not depends on probability sampling but to ensure, compare and to satisfy the academic requirement we have incorporated simple random technique and cluster sampling method to draw the numbers. We might have named this as non-probability sampling but it is a mixed strategy as we take some consideration from random sampling technique. Conclusively, the method and methodology help us to prove that the selective sampling technique is appropriate for the study and justified in multiple ways. The reliability and validity of the study is equal or better than any other existing method in practice.

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Entrepreneurship: External and Internal Rationalization

* Dr. V. K. Arora

Abstract

From the last five thousand years human beings are doing some jobs for their livelihood. Out of occupations available, doing business was always an option available for the community. Today in the era of knowledge management (i.e. twenty first century) entrepreneurship is also supposed to be a better option. When we talk about entrepreneurship, the questions that generally come to our mind (after knowing the realm of entrepreneur and entrepreneurship) are 'why entrepreneurship?', 'what do we get (as benefits) if we choose a journey of entrepreneurship?' and 'how to prepare oneself and start?' This paper attempts to answer these questions i.e. external and internal rationalization in the path of entrepreneurship and how to initiate.

External rationale is based upon the PEST (political economical societal technological) parameters and analysis. Rapid increase of the society unrest may lead to an unbalance in the PEST scale and thereby in the overall strength and stability of the country or region. Probably that is why for the very first time in the history of India, support is extended from the political side to uplift employment through entrepreneurship. Government has announced many schemes through start-up India, some of which are discussed in this paper.

Internal rationale, as we know out of many motivational factors, one most important factor is money. Out of many occupations, a successful business is one of the ways to get an exponential growth.

Understanding all these factors, we can say that business play ground is waiting for deserving players looking for an achievement and dedication towards society. After discussing the rationales, paper highlights how a budding entrepreneur can prepare himself to commence his journey in the present time.

Keywords Entrepreneur, Entrepreneurship, Historical background of entrepreneur, Rationalization for entrepreneurship, Why entrepreneurship, How to prepare and start.

Introduction

The terms 'Entrepreneur' and 'Entrepreneurship' have become the terms of national importance in the recent past of Indian economy. It is due to the major requirement by the Government (an external factor) and the Individual (who wants to become an entrepreneur; an

* Consultant/ Resource Person, Entrepreneurship and Business Development, Management Associates Noida.

internal factor).

The Government wants to promote entrepreneurship and entrepreneurial culture for national interest whereas individuals who are looking forward to a career as an entrepreneur want to do something which they are unable to do at the level of an employee or professional.

It is also seen that these days a large number of students after qualifying their courses, instead of participating in campus placement prefer to start their business either in the business incubator of their own college/ university or in the open market. Many people in between their career in jobs are starting their business either by choice (high motivation) or mid age crisis. Even people after their retirement or VRS, are becoming old age entrepreneurs. Attributes are changing according to the changes in the economic scenario.

Actually the term 'entrepreneur', which is approximately eight centuries old is most popular these days among youngsters who are trying to establish their career in some entrepreneurial or start-up venture.

Historical background

The word entrepreneur was first evolved in France as 'entreprendre' in the thirteenth century approximately 1240 AD. At that time the meaning of entreprendre was to understand a person who has courage to initiate or to innate or 'to undertake'. That means to do something (implying to something new). In the crowd of many, if something new had to be done, then (at that time) folk used to be afraid of any unseen danger. If someone in those days wanted to do some job then people generally called him an 'entreprendre'.

In between the years 1200 AD to 1300 AD, France was the centre of vibrant cultural production along with a good number of poetry works and even opening of many universities also took place at that time only. Resulting in actual requirement of the term; entreprendre made its place in the French dictionary. But the actual hype of the term entreprendre was made only after industrial revolution after 1723 AD. By that time entreprendre was very much involved within business and trading world.

In the year 1730 AD, Richard Cantillon connected this term in academia ascribed to a definition which added a risk component to the connotation. Thereafter, it meant as someone who undertakes a business venture with no guarantee of profits i.e. by that time, terms like undertake, business and risk were adding more essence to the definition of entreprendre.

In the year 1828, the term comes to the English dictionary (from French) as 'Entrepreneur' with nearly same meaning and later term entrepreneurship was introduced (again from French) as an activity of entrepreneur.

From the last two centuries, this term has changed slightly with its meaning but after the era of knowledge management, i.e. year 2000 AD onwards, we have seen a new realm of

entrepreneur (and entrepreneurship) as a revolution not only in business world but also at the social front.

Entrepreneur and entrepreneurship Domain rationale in 21st century

In the era of knowledge management i.e. twenty first century, we define entrepreneur as a person who has (a) ability to innovate, (b) concern about profit and (c) total work is dedicated to the society. Human beings have two basic features which are, (a) they are unique and (b) they are critical. The process by which we (as trainers) convert a person to an entrepreneur is known as 'entrepreneurial development'. Due to uniqueness and criticality of human beings, entrepreneurial development cannot be bound in a box or book. It has no set of rules. That means entrepreneurial development is a complex phenomenon which involves entrepreneurial development programs (EDPs), time management, network management, stress management and training on functional areas like marketing, supply chain, governance etc.

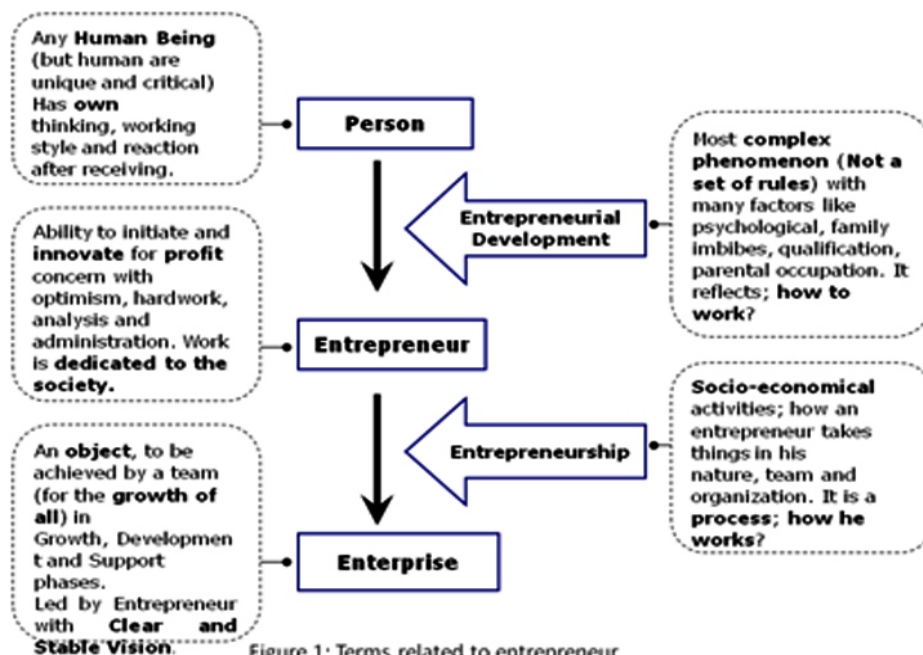


Figure 1: Terms related to entrepreneur

Once a person becomes an entrepreneur, the art by which he or she runs his/ her enterprise is known as 'entrepreneurship'. This art involves 'qualities' and characteristics' that he possesses to move his organization. Any business (started by a budding entrepreneur) to be successful or a failure is decided by the entrepreneurship, an entrepreneur has. Figure 1 illustrates all the terms related with entrepreneur and entrepreneurship.

Enterprise (as an object) has option to be formed as sole proprietorship, partnership, one person company (OPC), limited liability partnership (LLP), private limited company or public limited company. This enterprise has to be considered as one unit (separate from

promoters and entrepreneurs). And therefore enterprise's interests are to be dealt separately.

Entrepreneurship - External Rationale

Entrepreneurship is the call of the present time all over the world. Today when we talk about the overall strength of any society or country or region, we measure it as how strong it is on PEST parameters. PEST parameters have four major attributes as 'P', 'E', 'S' and 'T'. The analysis of these attributes pertaining to any specific region results to the PEST Analysis of that region or country.

'P' stands for political scenario and satire where legal structure is associated with it. What is the status of legal system of any region directly depends upon its political willingness. Legality may lag by few months to few years but this is for sure that it follows the political commitment. Ideally politics is based upon the socio-political phenomenon which states that the purpose of politics is for the benefit of the society only.

'E' stands for economic situation of the region i.e. gross domestic production, index of industrial productivity, IIP numbers, balance of payment, reserves, per capita income, economical advantages, policies etc. Whereas economy as an attribute is on macro environment, at micro financial status and factors of individuals and groups (person or organization) also follow it. Financial status of an individual depends upon the economic condition of the region.

'S' stands for societal factor i.e. difference between have and have not, education, trainings, skills, psychological illness or depression, living status etc. Cultural values are related (directly or indirectly) with the societal factors. It is measured as the awareness, education, action and leadership in the society. How responsive the society is the tool to measure this factor.

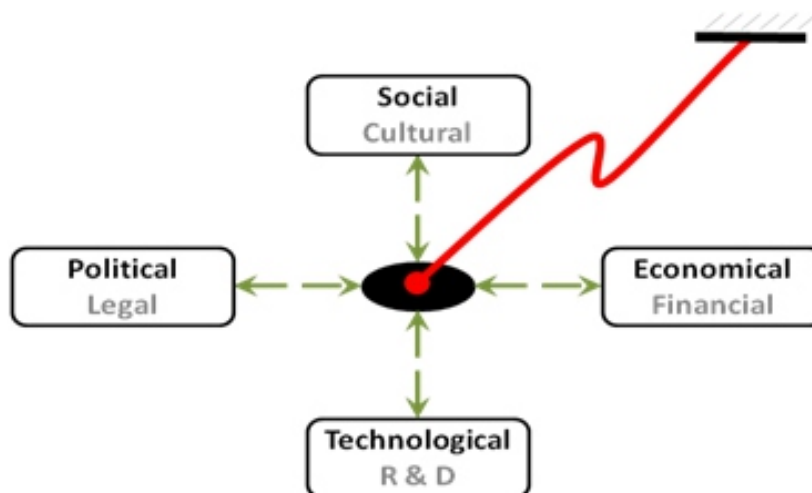


Figure 2: PEST scale for external rationale

'T' stands for technological attributes i.e. what are the research and development activities at macro and micro levels, global innovation index, innovation activities, motivation to do something new, patents scenario, research centres and their success, quickness of s-curve in the horizon of any particular technology etc.

All these four attributes measure the potential of any region as specified earlier. Imagine a scale with four pans as shown in the figure 1. This scale to be known as 'PEST Scale' measures the potential and strength of a society, country or region in the grounds of its' PEST factors, as explained earlier.

The beauty of this PEST Scale is that, whenever any one factor (out of four) goes down, others three can push it up. If any two go down, rest two can handle it. If three are down, even one can make the entire environment conducive. Situation goes to the big bust i.e. collapse (huge crisis) when all four come down (out of control). Parallel to it, this is also a reality that the movement of any one factor (upwards or downwards) pulls others to move in the same direction.

Entrepreneurship' has a bi-directional relationship with all these factors. It has special leverage to 'social' due to direct concern. Entrepreneurship not only helps in promoters' employment but it is also a generating mechanism for employment of others. Furthermore entrepreneurial culture also helps enormous augmentation in up gradation of the society.

Understanding this concept, it is obvious that high population and unemployment for any region and country may imply to an increase in the crime rate and above a threshold, it leads to social unrest, falling Social factor on PEST scale. This will definitely lead to an alarming situation. To avoid this 'key option' is to promote 'entrepreneurship development'. It is so important that in many countries (including India) a new ministry/ autonomous bodies are formed in the provisions of entrepreneurship in recent past.

The Government of India has also come-up with many lucrative benefits for budding entrepreneurs. Prime Minister's Office presently has a separate ministry named as Ministry of Skill Development and Entrepreneurship (MoSDE) to promote entrepreneurial culture in India. This ministry is working together with other ministries like ministry of micro, small and medium enterprises, corporate affairs, commerce & industry and science & technology with the same objectives. Government of India has recently announced many schemes to facilitate the system and promote an entrepreneurial culture in the country. Some of them are outlined below.

Ministry of Commerce and Industry (GoI) has announced 'Start-up India' initiative for creating a conducive environment for start-ups in India. To bring uniformity in the identified enterprises, an entity shall be considered as a 'start-up'-

- (a) Up to five years from the date of its incorporation/registration,
- (b) If its turnover for any of the financial years has not exceeded Rupees 25 crore, and
- (c) It is working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property.

Ministry of commerce and industry is playing an important role for the best possible functioning of start-up India, under which budding entrepreneurs are given various facilities. These facilities involve (a) self certification (to reduce the regulatory burden for startups, the government is allowing startups to self-certify compliance on few labour and environment laws where no inspections will be conducted for a period of three years), (b) Start-up India hub (an all-India hub is to be created as a single contact point for start-up foundations in India, which will help the entrepreneurs to exchange knowledge and access financial aid), (c) Application for start-up recognition (through portal startupindia.gov.in), (d) Legal support including patent protection and trademarks (including financial support for various IPR purposes), (e) Corpus of INR 10,000 crore fund for the first four years, (f) A national credit guarantee trust company (NCGTC) with SIDBI is being conceptualized with a budget of Rs 500 crore per year for the next four years to support the flow of funds to start-ups, (g) No capital and income tax gain for first three years, (h) tax exemption for investments of higher value (in case of an investment of higher value than the market price), (i) Atal Innovation Mission has been announced to boost innovation and encourage talented youth, (j) Innovation-related study plans for lacs of school students including dedicated programs in schools and (k) Setting up incubators (in the private-public partnership model at national institutes).

Ministry of MSME (GoI) has announced many schemes like Entrepreneurship Skill Development Programme (ESDP), Prime Minister's Employment Generation Programme (PMEGP), Aspire fund, Sfurti, MSME Mart and a unique feature of Udyog Aadhaar (udyogaadhaar.gov.in).

Ministry of S & T (GoI) sponsors many programs in collaboration with EDI India which are conducted pan India. These programs are Entrepreneurship Awareness Camp (EAC), Entrepreneurship Development Programme (EDP), Women Entrepreneurship Development Programme (WEDP), Technology based Entrepreneurship Development Programme (TbEDP) and Faculty Development Programme (FDP). All these programs are oriented towards promotion of entrepreneurship.

RoC of ministry of corporate affairs, in association from SEBI also contributes in the development of ethical entrepreneurial culture all over the country. Facilitation from Make in India, Buy MSME are also contributing a lot for the augmentation of entrepreneurial culture.

Both centre and state governments are working on skill development. Although skill development is not entrepreneurship development or in other words, entrepreneurship is not a

skill. But this is also true that when skilled people want to become entrepreneurs in their line of profession, it becomes much easier for them to take hold of the chances and thereby opportunities.

Entrepreneurship - Internal Rationale

In the present time, people worldwide have three main options for their livelihood. First is to become an 'employee', second to become a 'professional' and third to become an entrepreneur i.e. an 'employer'. Option of being a professional requires a very good command over skill(s) and generally it comes with experience and/or age. If we compare the sections of employees and employers we find that both the parties encounter a number of pros and cons.

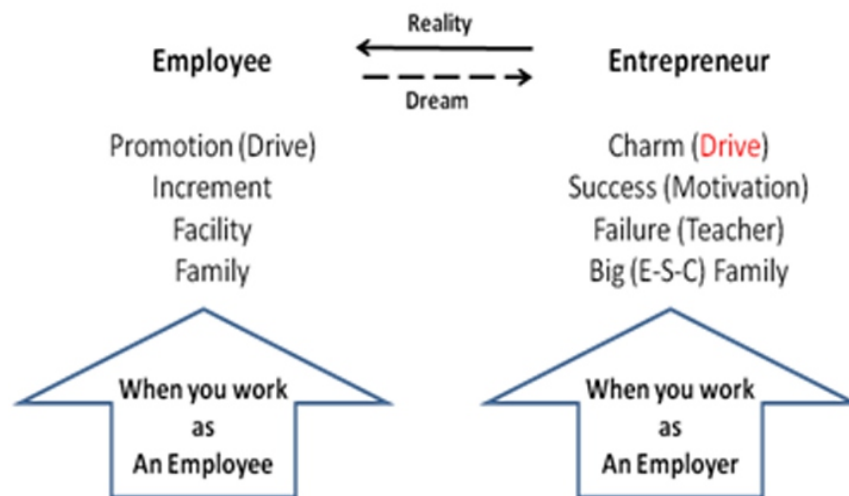


Figure 3: Why to become entrepreneur – Internal rationale

Whereas in the case of an entrepreneur, the convergence is not only linked with his/ her own family but also with his employees' family leading towards the society and thereby the country as a whole. One could rather call it a big integrated structure where all the three families of employee (E), society (S) and country (c) are involved.

Whenever entrepreneurs procure success (may be in terms of product diversification, market share, profit numbers, brand value etc) it works as the best motivation strength. Charm of life and success is the major driving force for the entrepreneurs.

In the journey of entrepreneurship if success is attained, failures have also to be confronted at times. Entrepreneurs consider these failures as a source of learning. These failures teach them 'what not to do?'

The same is explained in figure. Arrows show how this is a reality that entrepreneur has a direct proliferation in the work life of their employees whereas for employees to become an entrepreneur and live his life becomes a dream that they long for.

Which means that for a longer term; if success is met, becoming an entrepreneur is always more stable rather than working as an employee. This is not only true for an employee but also for his/ her family and coming generations. On the career ground, children of employees always have to start afresh whereas heirs of entrepreneurs have to start from the point the respective entrepreneur left.

Let's now discuss briefly about motivation. Individuals' motivation is enhanced whereas when we talk about an organization, vision statement contents motivation statement. In this case motivation is not only for entrepreneur or promoters but for the entire team including stakeholders, suppliers and buyers, which means vision statement is the alignment of motivation of the whole team.

Motivation is an extremely important factor for individuals. In any organization, members (including entrepreneurs) are motivated for benefits related to, i) themselves, ii) their family, near and dear ones, iii) society and iv) country. The key of motivation is 'success (of life)'. Next question comes, what we mean by success. In today's time followings could be the narrative of success.

- a) Earning and/or assets
- b) Charm of life (life style)
- c) Recognition (name, fame, goodwill etc)

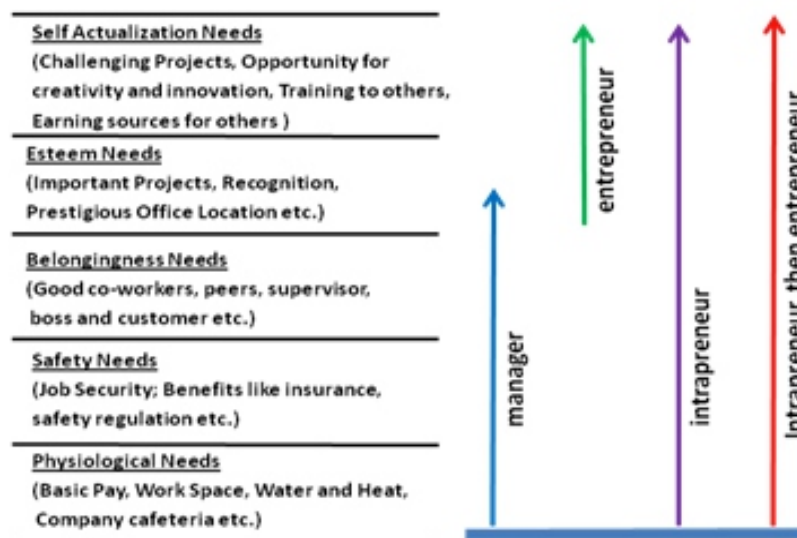


Figure 4: Motivation span for entrepreneur and employees

Above narratives are highly received with the option of entrepreneurship in comparison of being an employee. On the other hand being an employee; despite having a routine life and fixed salary cannot generate that level of motivation which an entrepreneur has.

Maslow's motivation theory is one of the best to understand human needs. As we understand the theory, it is obvious that the motivation level of a manager (where efficiency is the key) starts from the physiological and moves up to esteem need.

For intrapreneurs (and/or corporate entrepreneurs; identified as a person within a large corporation who takes direct responsibility for turning an idea into a profitable finished product through assertive risk-taking and innovation) it also starts from the physiological and reaches up to the highest one that is self actualization. The same pattern is followed in the case of those intrapreneurs, who start their career as manager (not the designation of manager, it could be any employee, responsible for planning and directing the work of a group of individuals, monitoring their work, and taking corrective action when necessary i.e. perfect in the definition of management and/ or efficiency), converts themselves to intrapreneur and later becomes entrepreneur.

Most interesting aspect is seen in the case of potential and budding entrepreneurs, where actual motivation starts from esteem needs and actually reaches self actualization, which means that real entrepreneurs' basic requirement of life also fulfils at getting success (success in terms of business). In case of family responsibility, budding entrepreneurs should be careful while providing a safeguard to their family through enough (approximately one year) reserve (in terms of funds). In simple words it means that if they are not getting/ earning money for at least one year, their family will not suffer.

Step by step: process to proceed

It will be injustice, if we do not consider how to proceed after having discussed external and internal rationales. Most important is to prepare himself (internally as entrepreneur) in the given course towards entrepreneurship. The course involves

- a) Entrepreneurial Development (EDP, Time-Network-Stress Management, other functional areas etc.),
- b) Finalization of one business idea (after viability),
- c) Setting vision, mission, objective(s), values,
- d) Work out basic strategies, policies and plan,
- e) Prepare business plan (if required) and project report(s),
- f) Conduct pre-launching assessment,
- g) Understand first mover advantage and
- h) Learn; how to maintain portfolio.

After doing enough work as stated above through motivated mind set, one becomes a potential entrepreneur. To get a blue print, how to precede one need to map step by step

procedure. The procedure should give maximum return with limited resources. Resources include money, time and energy. The required steps are suggested below-

1. Identify promoters (mainly entrepreneurs' ID, address proof, training certificate, experience etc) and identification of other important associates (network).
2. Premises (for address purpose; may be on rent/lease or purchased. For some specific cities, if commercial, institutional or industrial space is required that may also be kept in mind)
3. Registration of company as required (if the structure would be one person company, limited liability partnership, private limited or sec. 8 not for profit company; registration would be under RoC, ministry of corporate affairs. Other options of sole proprietorship or partnership may also be considered)
4. Obtain PAN Number (PAN number is mandatory and other registration depends upon the nature of business like TIN, Service tax or GST in near future)
5. Opening of a bank account (at least one current account should be opened. Most of the time we get payment via cheque or online and vice versa we can also pay by these modes)
6. Logo and trademark (Although it is optional but it is advisable to always have a logo, tag line and slogan. This job may be outsourced and must get a registered trade mark)
7. Furniture (arrangement of tables, chairs, storage etc. depending upon one's budget)
8. Information and communication technology (arrangements like phone, fax, emails etc)
9. Stationary (including visiting cards, letterheads etc. where proper incursion of trademark, address and contact details is done)
10. Register with Udhdyog Aadhar (Keeping in mind future benefits announced by GoI, one must go for UA for their respective firms through portal of ministry of micro, small and medium enterprises)
11. Register with Start-up India initiative (to take all the benefits of the scheme, we must register our organization with start-up India; ministry of commerce and industry)
12. Man Power (if required; may be outsourced)
13. Inventory (as required; but it should be in accordance to working capital by which our production or service line not hampered)
14. Workshop (a healthy and hygienic workshop/ workplace for all the staff members)
15. Packaging materials (keeping environment in mind; ecological sustainability)
16. Marketing (of utmost importance, therefore proper understanding of market and stability is required. One may undergo extra training program in this functional area. Online marketing, including website and social networking is also crucial to involve keeping future marketing in mind)
17. Logistics (as required, may be outsourced but proper concept of partner logistics i.e. from one to five PL should be known)

In the above flow, involvement of fund and financial part is not shown. Finance will be required to be allotted at different stages and has to be deployed as required.

In the course of finance loan section may be managed through bank(s), venture capitalist or cloud financing whereas equity may be from promoters including VCs, if proposed (and share market; if horizon is augmented).

Conclusion

After discussing the development of entrepreneurship concept we have conferred the exact meaning and significance of entrepreneur and entrepreneurship. In the given paper we have mainly discussed a general inquiry among those who are looking for an occupation for themselves. Inquiry is 'why entrepreneurship?' What are the advantages of establishing oneself as an entrepreneur rather than rendering services as an employee and becoming a professional (in the area of our expertise)?

These advantages are discussed over both external requirement and our internal requirement. We have also seen that in the external environment primarily how the government extends its support. As far as internal strength is required, our motivation can overcome our fear and frustration as an employee or professional (in few cases) and will augment our courage.

In today's time we can observe that first time political support (through awareness, training and hand holding) is coming to develop entrepreneurial culture in the society in a huge way. Time is to exploit the given opportunities by holding the hands together and treading and enjoying the journey of entrepreneurship.

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Training Interventions in Managing Employee Attrition in Banking Sector

* Prof Rekha Prasad

* Shruti Singh

Abstract

In the present competitive world, the banking sector, especially of the developing economies like India, is facing lot of tough competition, talent crunch, and skill shortage. Losing knowledgeable and trained employees can cause serious damage to the bank's progress and performance in the market. Training can lead to more commitment and subsequently can reduce the turnover intentions of employees. Trainings helps a great deal in the acquisition of new technical knowledge and skills in the different aspects of banking. Training programmes should be carefully planned and systematically executed for the employees, since training programmes paves way for the growth and development of employees and organizations . Through training the employee competencies are developed and enable them to implement the job related work efficiently, and achieve firm objectives in a competitive manner. Further, dissatisfaction complaints, absenteeism and turnover can be greatly reduced when employees are so well trained that can experience the direct satisfaction associated with the sense of achievement and knowledge that they are developing their inherent capabilities (Pigors & Myers 1989). This study is a conceptual study about the role of training interventions in managing employee attrition in banking sector.

Keywords - Training intervention, employee attrition, skills, work efficiency

Introduction

India has a bank dominated financial sector. Banking sector plays a very important role in the economic growth of the country. Our banking system has to ensure that it remains efficient and supports the activities of the real sector. In order to improve productivity and efficiency, banks need to be given more flexibility in operational matters, particularly in manpower practices. Attaining greater productivity and efficiency requires not just the right technology, systems and processes, but also the manpower with the right skills and attitude, demonstrating the necessary flexibility and adaptability to be able to keep pace with the changing times. Banks are increasingly beginning to recognize Human resources as a possible area of core competence, and seek to pursue and retain the best talent in the industry. There is a realization that skill development is extremely important for staff retention as well as the quality of manpower. In the banking sector, uncontrolled employee turnover can destroy management's

*Professor, Institute Of Management Studies BHU

** Research Scholar, Institute Of Management Studies BHU

quest for sustainable profitability. The Banking industry is dynamic, and to a large extent volatile, if mechanisms for employee's retention are not structured (Foon et al., 2010). It is becoming increasingly important for managers in the banking sector to understand that profitability and growth of their banking organizations are tied to their ability not only to remunerate their employees adequately, but also to provide mechanisms for career growth (Gratton and Erickson, 2007). Samuel and Chipunza (2009), concur with Foon et al., (2010) that retention of employees in the banking sector is not easy. They argue that an organization must provide employees with intrinsic/extrinsic rewards and opportunities for career progress to guarantee their satisfaction, loyalty, and hence ensure employee retention. The continuous and unabated training intervention on operational, functional and specialized areas can be of help. Hence, retention will require improvements in human resource management practices in general and greater impetus in particular on the training front in terms of new strategies and methodologies. Also, Harel and Tzafrir (1999) found that the only HR variable that affects the perceived organizational performance was training. HRD is a system of developing in a continuous and planned way the competencies of individual employees to achieve organizational goals some important techniques involved are Training, Developments, Performance/Potential Appraisal, Career/Life Planning etc., of the various techniques of HRD, training occupies the prime position as it has a direct bearing on the individuals.

Attrition in banking sector:

As per the report of Federation of Indian Chambers of Commerce & Industry (FICCI), Indian Banking System: The Current State & Road Ahead, Annual Survey 2010, clearly states that the major challenge faced by banks (private and public) today is not only the ever rising customer expectation, but poaching of the skilled / experienced employees and high attrition. Thus, on the whole, we see that public sector banks, private sector banks face difficulty in hiring the right person and to retain them for a longer period. The entry of niche lenders in the banking system is going to pose a challenge of a high attrition rate among staffers at existing banks cautioned R Gandhi ,deputy governor, Reserve Bank of India. "The old method of developing a cadre and expecting them to continue for life is going to change." Attrition is going to be the norm. Banks are likely to witness upto 50% increase in attrition this year as compared to last year as new players entering the sector would prefer seasoned industry professionals to grow their operations. The two new commercial banking licences, that were given by RBI to infrastructure financing firm IDFC and micro finance firm Bandhan Financial Services and ten small bank licenses (Ujjivan Financial Services Pvt. Ltd, Janalakshmi Financial Services Pvt. Ltd , Equitas Holdings Ltd, Au Financiers (India) Ltd, Capital Local Area Bank Ltd, Disha Microfin Pvt. Ltd, ESAF Microfinance and Investments Pvt. Ltd, RGVN (North East) Microfinance Ltd, Suryoday Micro Finance Pvt. Ltd, and Utkarsh Micro Finance Pvt. Ltd.) are also expected to create job opportunities across the board in the banking space. The new banks are expanding their teams at a rapid pace and existing banks are grappling with talent retention. Global Hunt Managing Director said "though all the existing players will try to retain talent by giving large portfolio and decent compensation, but boom in the industry will bring the attrition higher than the ongoing rate." Public Sector Banks (PSBs), already facing a talent crunch, are set to lose some of their most talented people to the new

private banks, scouting for the best brains to run their business. The biggest exodus might be seen at the middle and lower levels, due to better remuneration and career prospects. According to Dr A.K. Khandelwal, former Chairman and Managing Director, Bank of Baroda, "Each large bank loses about 100-200 people every year. The industry sees an attrition of about 1,000 people on a yearly basis. Though poaching is not yet a big concern, it may assume huge significance if it continues to grow at this rate." "There should be redesigning of the performance management system and banks should work hard on incentives," said Mr Khandelwal.

The government's performance-based scheme required certain revisions for effective implementation, he pointed out. The attrition figures of Union Bank of India stand at 27 per cent, said Mr M.V. Nair, former Chairman and Managing Director. He also said that work culture of public sector banks is not in sync with the needs of young customers. Mr Kamath, former Managing Director and CEO Of ICICI Bank was speaking to reporters on the sidelines of the seminar on human resource development, organised by the Indian Banks' Association. According to him the bank sees an attrition rate of 15-16 per cent. One way of addressing the problem of attrition is to create and increase the pool of people with the right skill sets, he said. For this, ICICI Bank has tied up with educational institutions such as NIIT, ICFAI and Manipal University for integrating the bank's training modules as part of the curriculum.

Anandrup Ghose, Partner at Aon Hewitt India said that higher attrition is linked to higher economic activity. "At an average pay increase budget of 10.3 per cent across India, HR managers will be pushed to ensure they are being more innovative and thoughtful in how they reward their top performers while ensuring they are able to retain and motivate the rest of the organization as well In the services space," he said. As part of Bancon 2013, McKinsey conducted survey covering 20 leading banks, public sector as well as private - accounting for about 70 per cent of the banking staff and over 70 per cent of assets in India's banking system. In addition, approximately 10,000 employees across management levels from the participating banks were covered in their "Voice of Employee" survey. The survey observed talent gap across levels in banks. The shortfall for talent for public sector banks was driven by high average age leading to high retirements at senior management levels, whereas for private sector banks it was driven by high attrition rates especially at junior management. To counter this problem, the significantly challenge for the public sector banks is re-skilling the present employees, attracting and retaining fresh talent, curtailing the growing employee costs, etc. According to a recent Kelly workforce index survey "What talent wants" in 2013 around 55% of workers said they are looking for better job opportunities and are evaluating the external job market. The report further noted that as many as 43% frequently think about quitting their current job. Commenting on the findings, Kelly services India managing director Kamal Karanth said there is a need for today's HR to bridge the gap between what an employee seeks and what most employers provide. "Increased responsibility needs to be built into tasks, process and decisions if organizations are to extract real value from the talent they hire, be it on a permanent or contingent basis".

Literature Review:

Employee turnover refers to the termination of an official and psychological contract between an employee and an organization (Krausz, 2002; Macdonald, 1999). Carley (1992 quoted in Tham, Pee, Kankanhalli & Tan, 2008) states that employees turnover means the

rotation of workers around the labour market, between organizations, jobs and careers. There are two major types of employee turnover: involuntary and voluntary. Involuntary turnover is initiated by the organization to terminate the relationship with an employee, whereas voluntary turnover is primarily initiated by the employees themselves (Cao et al., 2013; Price, 1977). In the academic literature, turnover intention is commonly used as a measure of anticipated workplace turnover (Bigliardi et al., 2005) Indications are that employees are more likely to stay when there is a predictable work environment and vice versa (Zuber, 2001). In organizations where there was a high level of inefficiency there was also a high level of staff turnover (Alexander et al., 1994). Main causes of Turnover are Salaries Working environment and security of job. Turnover particularly arises from unhappiness from job place. In contrary employee also pushed to leave job due to the dissatisfaction in their present workplace. (Shamsuzzoh & Sumon) Kahn et al. (1964) also consider stress as an environmental stimulus to a person, or an oddity between individual and environment. The experience of job related stress (job stress), the range factors that lead to job related stress (stressors), lack of commitment in the organization; and job dissatisfaction make employees to quit Firth et al. (2004). Manu et al. (2004) argue that employees quit from organization due economic reasons. The most common reason for employee turnover rate being so high is the salary scale because employees are usually in search of jobs that pay well. (Hissom, 2009) Employer-employee relationship plays a vital role on turnover. (Nawaj, 2007). Lack of role clarity by management can lead to labour turnover According to Herzberg (1966) supervision is an extrinsic factor and a “dissatisfier” as well as a “demotivator” just like pay. This is because employees tend to perform better when they have under less supervision and freedom to exercise initiatives, judgment and self approach to work. (Mbah S. E., 2012) Larson (2004) says career progress creates stress on employee's understandings of the worth of his or her career prospects. Richard Steers (1977) hypothesized and found true that the more committed an employee is, the less of a desire they have to terminate from the organization. These “highly committed” employees were found to have a higher intent to remain with the company, a stronger desire to attend work, and a more positive attitude about their employment.

Training

In a major review in 1983 of its existing “Internal training system” which then included three staff colleges, thirty eighty training centers, and a “regular relationship nexus” within the organization that included a deputy managing director and chief general manager, the State bank of India developed preparatory papers on all the above issues in a “futuristic time frame”. This frame took into account the Bank's expansion rates especially of rural branches, “emerging positions and roles, technological changes, and other considerations he report based on these papers and their discussion stressed training as a “planned organizational intervention” and proposed means for making the identification of organization development and training tasks into a continuous process”. The “important areas of concern “ identified ranged from the need for better “synchronization of organizational growth with the development of the individual employee through career development” to “modifications of the structure” of the system in the light of these considerations. According to Swart et al., (2005), bridging the performance gap refers to implementing a relevant training intervention for the sake of developing particular

skills and abilities of the employees and enhancing employee performance. He further elaborate the concept by stating that training facilitate organization to recognize that its workers are not performing well and a thus their knowledge, skills and attitudes needs to be molded according to the firm needs. Training leads to action that can be repeated to self motivation, and to further improvement through onward practice. Training can lead to sustained, self generating development. It promises what is essential to modern technologies and economic systems: flexibility in action through understanding and confidence; inventiveness, initiative, and ability to make decisions; and respect for the contributions of others and readiness to collaborate with them. Training is therefore properly part of the grand march toward greater equality between people, toward more widespread opportunities, participation, involvement and rising expectations. Ronald Burke (1995) found that employees that participated in the most number of training programs and rated the trainings they attended as most relevant, viewed the organization as being more supportive, looked at the company more favourably, and had less of intent to quit training that seeks to improve employee investment, increase reciprocity, helps the employee identify with the organization, and serves to limit alternative employment options will enhance the employee's commitment to the company. The result of this will be an organization that is better able to retain its workforce. Patrick Owens' (2006) study on the relationship between training and organizational outcomes found just that to be true. Training is therefore not just a transmission of missing knowledge but also a process of updating, revision and systematization of employees' knowledge, skills, abilities and habits. It is not related only to the current situation and specific work assignments but should also anticipate and meet future needs of companies and employees, identify potential changes in their environment and explore new ways to respond to them (Shrivastava, 1983).

Training Scenario in Banks to Mitigate Attrition:

Attrition management is one of the most challenging tasks for employers across the globe. To prevent attrition, HR managers have to address the key factors that make employees leave. SAP India has successfully managed attrition and won the award for the 'Most Successful Attrition Management'. In an exclusive interaction with TimesJobs.com, Bhuvaneshwar Naik, VP-HR, SAP India shares what they did right and five practices which helped in curbing attrition. At SAP, they have created a culture of flexibility and independency as they believe that employees who are more engaged increase their productivity when they have more autonomy and greater flexibility. They believe that enhanced employee satisfaction means lower attrition and turnover, which in turn promotes sustained organizational productivity. Over the years, their proactive approach towards managing attrition has resulted in substantial reduction in attrition and considerable increase in the overall engagement scores

Various training interventions for managing attrition are as follows:

Accreditation

Majority agreed that there should be a standard setting body for level of education offered by any banking training institute, courses, standards, products and setting gold standards for key roles. Accreditation should be mandatory for all banking training. It was suggested that there should be compliance test for accredited institutions with periodical monitoring.

Internal Training benchmarking

Majority supported benchmarking or standardization of internal training processes for each level in the hierarchy. It was suggested that both internal and external trainings must be mandatory for promotions. For grooming front-line staff for best customer service, standardizing internal training programs with soft skills modules (on the lines of some best practices in private banks) were suggested.

Matching strategic training with employee life cycle:

It was suggested that linking HR policies to business strategy synchronous with employee life cycle is essential. Family needs in employee life cycle like stability in middle age for children's education etc. could be matched with proper job rotation and specialised long term postings. Targeted training cycles for orienting from generalized to specialised jobs could be matched with employee life cycle. Training should depend on job profile.

Banking Aptitude Test: (BAT):

Majority agreed to have a Banking Aptitude Test for selecting recruits with right aptitude to enhance attractiveness of banking jobs and reducing attrition. Those who choose to be a banker should be filtered at entry level with standardized banking aptitude test and intensive training for role with battery of interviews and tests under BAT.

Methods of training:

Modern methods of learning to be standardized which have scalability, skills and speed, which is the mantra of any top private bank. Today the traditional brick and mortar and e learning does not interest this millennial generation Gen Next. To engage their interest by digitalization, gamification, using cutting edge training technology could alone deal with the challenges of attrition and scalability. Some Private Banks have adopted modern training methods like gamification which can be replicated.

Specialisation and Job Rotation:

Majority of participants suggested that job rotation should be related to bank HR planning. It was expressed that the solution to continuity specific specialised areas like risk management, credit appraisal, Forex, Treasury, Derivatives, etc. should at least be for 5 to 7 years.

Training for union people:

Some suggested training modules for constructive thinking for Union leaders in banks. Training can be a particularly strong retention tool when it is combined with measures designed to allow people to develop and progress within a company (Butteriss, 1999; Meyer et al, 2003). It is important for employers to put in place effective internal promotion programmes that will allow even their unskilled and semi-skilled workforce to move towards positions of greater responsibility and remuneration within the company.

Forum for showcasing learning and development activities, models and results:

As a motivator for showcasing broad strategic framework and HR model, it was suggested that CAFRAL should create a forum where all banks can come and showcase their learning and development activities on annual basis, to acknowledge and reward it, creating excellence in business through learning and development in various categories. The rewards could be in categories like business excellence training awards, HR excellence model, training strategy etc. It will act as huge motivator to HR of banks

HR execution model:

It was suggested that implementation plan must be indicated for the broad framework and the recommendations. Guidelines on HR execution model to be followed by HR teams to make the recommendations work need to be delineated. Some HR excellence models being practiced in the industry which chalk out approach, deployment, assessment, modification, results of the entire HR process need to be examined to work out a suitable HR execution model for banks

Innovative Training & Development Practices

This factor incorporates all such practices that generate tangible outcome and intangible results in terms of enhanced self-esteem, high morale, and satisfaction of employees due to acquisition of additional knowledge, skills, and abilities (Khan, 2010). Executive development practices have also been considered under this variable. Researchers have concluded that investment in training yields strategic advantage to the organizations (Bitner & Zeithmal, 2004; Pitkanen 2007 and Blair and Sisakhti, 2007). Following are the seven innovative Training and Development practices found in the present study:

Test of Trainees

Use of written examination for selecting employees for training is one of the major innovations mentioned by most of the respondents of the present study. This helps the employees to be free from any kind of biasness. ICICI Bank and SBI are organising such tests for higher level employees' training too.

Job Rotation

There is also a provision of job rotation for giving the employees proper exposure of different departments. With job rotation, an employee is given an opportunity to perform different jobs, which enriches his skills, experience and ability to perform different jobs. In HDFC Bank, all employees are involved in the Job Rotation Schedule. In HDFC Bank, the staffs get rotated in every 6 months and the officers get rotated every 3 years

Customized Training

Special and separate/customised training programs have also been designed for different levels of employees in the banks. State bank of India is practicing this practice for

more than one and a half decades. Other banks are also following this innovative HR practice. However, the implementation level might be low in their cases.

Continuous Training Need Assessment

In some banks, continuous training need assessment of employees by the HR department is also practised. With the help of continuous training need assessment, only those employees, who are actually in the need of the training, are sent for the training. Aggarwala (2003) has also explored this innovative practice in one of her studies.

Regular Training

One of the major problems, which were earlier found in the banking sector, was that the training intervals were very high. Even the employees were trained only once in a decade or even in the entire job life. But now, innovations in HRM have called for the need for regular training for the bank employees too.

Encouragement to Apply Training Learning

Employees are also being encouraged to apply the techniques learnt in their training program. They are given a chance to apply the information acquired by them during the training practically so that they may not forget it ever.

Arrangement of Special Projects

To make the learning effective, some banks have the practice of selecting the staff for special project teams meant for bank's effectiveness. Private sector banks like HDFC and YES bank are sending their employees for special projects training so that they can acquire some specialised skills and knowledge.

Strategic issues in training:

Training and development are considered as strategies to gain competitive advantage. Integration of performance management with training helps employees synchronize their activities with the organizational objectives. General Electric (GE) has successfully integrated training with performance management. Employees are trained to improve their commitment to GE's values. Through coaching and planning, managers help employees shape action plans for their short term goals and long term goals which are in tune with the organization's goals.

Integrating training with compensation helps reinforce desired behaviours in employees. Employees, who learn new skills and knowledge and successfully implement this learning to enhance the performance of the organization, should be compensated in a way they feel is significant to them. Compensation need not always be monetary. Training that guarantees promotion and other non financial rewards can also motivate an individual to

remain with an organization. IT firms link training with compensation.

For Linking training to organizational strategy mission and vision of the organization should be specified. This can be done by assessing the needs of the organization. Assessment of the needs can be done by determining why the organization requires specific training activities and by placing the training within an appropriate organizational context. Modern organization should focus on strategic training. Strategic training is a training process in which the training needs of the organization are aligned with organizational goals.

Shift from Training to learning: A training program designed to enhance employee skills can be transformed into a learning program by focusing on core competencies instead of skills. Modern organizations have shifted from traditional training to a learning orientation have action learning teams. These teams identify a common problem, establish a strategy for it, and take necessary action. Certain organizations have a chief learning officers who facilitates learning and change in the organization, improves the individual ,team, and organizational effectiveness by using communication media, performance consulting, training and organizational design and supports business strategy.

Developing a learning organization: Learning organizations constantly respond to the changing needs of the employees and pay attention to their personal development. They are characterized by open communication, people centered leadership styles and participative management. A learning organization creates acquires and transfers knowledge and modifies behaviour of the employees so as to reflect new knowledge and insights.

Internet based training: technological advances have led to the emergence of online training, which is faster and more cost effective than traditional training methods. It speeds up the training process. This is especially helpful when organizations have a high employee turnover. It has been found that internet based training receives higher satisfaction ratings than classroom training. Internet based training is popular because of its flexibility. It can be assessed by users everywhere in the world, from any facility. It also makes learners feel that they are in control of their training schedule. This enhances the commitment of the users, which in turn improves their productivity. It further promotes cross functional teamwork. It also helps them overcome the traditional barriers that are encountered when communicating with employees in different countries.

Conclusions:

Continual training and reinforcement develops a work force that is competent, consistent, competitive, effective and efficient. Training constitutes a visible investment that the company makes in the worker, providing him or her with new skills, and greater competencies and confidence. Training often leads to work that is more intrinsically

rewarding. Combined with effective communication about how an employee's efforts at developing skills will lead him or her to more challenging and meaningful positions within the company and training encourages workers to make longer term commitments to their workplace. It permits them to see a future with the company. Many have put in place effective internal promotion programs that allow even their unskilled and semi-skilled workforce to move towards positions of greater responsibility and remuneration within the company (Dobbs, 2001) Catherine (2002) indicated that career development plan for the employees play a vital role in the retention of employees. Providing these career development opportunities helps to restrict employees from leaving the organization and increase in loyalty. The training plan of an organization should have intimate linkage with the career path of the individual; competency gaps should be identified through talent reviews and training should be imparted in a way that helps people to learn and apply the take-aways in real life work situations. There should be training and development goal for each individual based on his/her strengths, which may be identified by way of an assessment or talent review process or through existing qualifications obtained by the individual. The training strategy also needs to be dovetailed with strategic and business imperatives of the bank. All banks may prepare a specific action plan in this regard.

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The Role of Culture, History and Institutional Policies on Entrepreneurial Development: The Case of China as an Emerging Economy

* Adewale, A. Adekiya

Abstract

The purpose of this paper is to examine the role of culture, history and institutional policies on Chinese entrepreneurial development. We have employed the documentary research approach in highlighting the concept of entrepreneurial development in relation to Chinese history, culture and institutional policies and this forms the basis of our deductions and conclusion. The results uncovered indicate that historical events and cultural values are important in determining the size and shape of entrepreneurship. In addition, institutional policies if properly utilized can act as a buffer in this relationship.

Keywords- Culture, History, Entrepreneurship Development, Emerging Economy.

Introduction

The shocking emergence of China as a giant in the global manufacturing and exporting sector coupled with its current status as a superpower in the economic and financial enclaves of the world has drawn the attention of economic and developmental analysts both in the academic sector, government units and industries. As admitted by IMF (2016) China is now the world's second largest economy and the world's largest exporter. Most observers have attributed this growth primarily to large, state-owned companies. However, Zhou (2012) differs on this by pointing that China's 42 million small and medium enterprises (SMEs) have played a very important role in the growth of its economy in 2009 alone, SMEs contributed to 58.5% of GDP, 50% of tax revenues, 68% of exports, and 75% of new employment. This view was supported by a report from China National Bureau of Statistics which indicated that in 1978, the state sector accounted for over 90% of the country's GDP but by 2005, this had fallen to less than half of this figure. In addition, Wu (2006) maintained that understanding the

*Research Scholar, Department of Business Administration and Entrepreneurship, Bayero Business School, Bayero University, Kano, Nigeria

entrepreneurship in China's context is the key to interpreting China's economic miracle. He did this by pointing that one of the important features of China's economic transformation, among other things, is the growth of the non-state or private sector.

The growing significance of small and medium-sized enterprises (SMEs) in China's economy is hard to ignore in that Chinese and foreign experts have estimated that SMEs are now responsible for about 60% of China's industrial output and employ about 75% of the workforce in China's cities and towns. Private business is the fastest-growing sector of China's economy, expanding at an annual rate of 20 percent, far above the 9.5 percent average growth of the national economy over the past two decades (China Bureau of Statistics, 2014). The private sector employs millions of people laid off from failing state factories and contributes an increasing proportion of taxes to government revenue.

According to the Global Entrepreneurship Monitor (2014) nearly 25% of the adult populations are entrepreneurs, twice as many as in the United States working with limited resources and against intense competition, which has been a source of motivation for them to channel their creativity and naturally given potentials for the enhancement of the country's unprecedented growth. As argued by Zhang, Zhang, Rozelle, & Boucher (2006) since the late 1990s, China's entrepreneurs have been the key driver of growth. They are the creators of the de novo firms that are forming a dynamic and innovative private sector an essential force in any developing country.

The submission by Erskine (2003) indicates that the cultural value being held by an individual determines his entrepreneurial spirit and willingness to risk and experience failure which is vital to innovation. Thus, we find it an area worthy of research to have a clearer understanding of the vital links that exists between the practice of entrepreneurship and the predominant cultural values in the Chinese society. In other words, how is the cultural orientation among its Citizens related to their entrepreneurial development? Similarly, since the concept of past history, (defined in this study as the notable historical events that characterizes a country) has been identified by Easley (2009) as having a link with both present and future entrepreneurial development, we argue and present a case that these two factors (culture, history) are determinants of entrepreneurship development and that institutional policies would act as a moderator in this relationship.

The paper is basically divided into five sections: the first section introduces and discusses the subject matter of the paper, the second section focuses on the evolvement of Chinese entrepreneurship practices and the role of their past history and national culture. It goes further to present institutional policies as a moderating variable and also presents a theoretical background to support some ideas that were raised. The third section discusses the

methodology and research approach adopted while fourth and fifth sections focused on the discussion, conclusion and recommendations respectively.

Literature Review

History, Institutional Policies and Chinese Entrepreneurship Development

According to Liao & Sohmen (2001) entrepreneurship is the process that takes place, causing changes in the economic system through innovations brought about by individuals who generate or respond to economic opportunities that create value for both these individuals and the society. They went on to differentiate between entrepreneurial management, which they claim may take place in the context of large established organizations, and entrepreneurship in terms of starting and running one's own business, with a higher degree of risk and independence. There is a large consensus that every Chinese person wants to be his own boss. For instance a report from Fortune Magazine indicated that Private business is the fastest-growing sector of China's economy, expanding at an annual rate of 20 percent. Further it is indicated that the private sector employs millions of people laid off from failing state factories and contributes an increasing proportion of taxes to government revenue.

In the late 1970s and early 1980s China forced through a series of liberalizing reforms that could be characterized as aimed at building social capital. By social capital, we mean creating an enabling environment which will aid in the productive use of available infrastructure, and educated workforce. This social capital as observed by Liao & Sohmen (2001) includes productive incentive structures, robust and efficient legal systems with predictable enforcement, financial systems that allocate capital productively, limited political and elite interference in the wealth-creation process, limited rent seeking, clarity and ease in the ability to create businesses, ,or otherwise create economic value for society.

Thus, by eliminating laws that severely constrained the ability of Chinese to behave productively; these reforms unleashed an explosion of economic activity that generated tremendous wealth creation. It became legal, for example, for Chinese to produce and sell as individuals, not just through the state-controlled collectives or organizations. In addition, a limited number of farmers were allowed to keep anything they produced above some quota which resulted into motivation on the part of the farmers and this led to a double yield in agricultural products. With the introduction of China for Modernizations in 1978, the new premier, Deng Xiaoping soon extended the popular reforms to households, so that small businesses could supply much-needed local goods; these reforms created an impetus for the rapid development of township and village enterprises (TVE), many of which were, in actuality, private companies owned by local governments (Huang, 2008).

Culture, Institutional Policies and Chinese Entrepreneurship Development

According to Paul and Steve (1998) culture is the sum total of a way of life, including such things as expected behaviour, beliefs, values, language, and living practices shared by members of a society. As posited by Murimbika & Urban (2013) enduring national characteristics which can be termed as a product of national culture have been predicted to have an impact on the level of entrepreneurship activity. In their view, if the practice of entrepreneurship is not given an appropriate recognition in the culture of a particular country, then not only will this be translated to criminality and corruption, but also, will make other forms of economic encouragements ineffective. As emphasized by Reynolds, Bygrave et al (2002) substantial variation exists in entrepreneurial activity between countries, with cultural and social norms emphasized as the major strength and weakness of entrepreneurial support structures. As observed by Hofstede (2000) there is a consensus among a growing body of literature that national culture influences a variety of economic/management behaviour (Hofstede, 1980) including that of entrepreneurial practices (McGrath, Mac-Millan & Scheinberg, 1992).

The Chinese culture is one of the oldest and most complex cultures in the world. Moreso, this culture has been influenced by China's long history and by its diverse ethnic groups whose customs and traditions could vary greatly between towns, cities and provinces. Despite all of its regional diversity, the Chinese culture is dominated by the Confucian value system (Lam, Paltie & Shannon, 1994). According to Guo (2009) Confucianism is a Chinese ethical and philosophical system that focuses on human morality and good deeds and has been the ethical and philosophical system in China since its foundation by Confucius 2000 years ago. It is a complex system of moral, social behaviour, political, philosophical and quasi-religious thought that has had tremendous influence on the culture and history of China (Guo, 2009). It exhorts all people to strive for being a perfect gentleman and be humaneness to all people. According to Luo & Chen (1996) Confucianism is embedded in people's behavior and business culture in China in that many Chinese business people attach great importance to cultivating, maintaining, and developing personal relationship (guanxi) before doing business.

In the opinion of Staatz (2011) in order to have a better understanding of the historical roots of what has affected China entrepreneurship, it is imperative to consider its philosophical and practical foundations. In their opinion one of these is Confucianism which has been at the core of Chinese beliefs and lifestyle for millennia. As argued by Charles (2007) while Confucius was not directing his advice to business organizations; his core teachings manifest themselves today in the business managerial practices of the Chinese. In contrary to the position of Weber (1964) who admitted that Confucianism, which is the cultural cornerstone in all Chinese communities worldwide, is fundamentally hostile to entrepreneurship as a result of its

emphasis on learning for careers in government bureaucracies, condemnation of pure profit-seeking as well as advocates for group orientation. In addition to conformity and respect for authority, the submission by Liao & Sohmen (2001) posits that “following the success of the East Asian countries, though, largely driven by a diaspora of overseas Chinese entrepreneurs, opinions are beginning to shift in support of Confucian values of persistence, diligence, thrift, and the family as key supporting factors for entrepreneurial development”. In the same vein, Shen (2013) observed that a Confucian culture could effectively guide entrepreneurs to find a balance between yi and li, and promote the development of economy and society. In addition, Young & Corzine (2004) stressed that Confucian values and ideals have appeared to be linked to business and management in different aspects while the submission by Rudnicki (1998) posits that Confucian sages of Ancient China behaved as businessmen because they were frequently engaged in political, military, or administrative activities, and tried to seek position, power as well as property at proper times. Thus, these divergent views have attracted the interest of researchers with the aim of unravelling the true nature of the relationship between the two constructs. In this particular study, the core values of Confucianism are highlighted with a view to examine the nature of their influence on the concept of entrepreneurship development in China.

Collectivism/Individualism

According to House, Javidan, Hanges, & Dorfman (2002) group collectivism measures the degree to which individuals express pride, loyalty and cohesiveness in their groups and families. In relation to the ability to innovate, which is one of the major indices for entrepreneurial achievement, Barnett (1953) postulates a positive correlation between the individualism of a society and its innovative potentials. He contended that when compared to the collectivist society, individualistic society values more freedom, which is necessary for creativity. Further, Shane (2002) share similar opinion by admitting that the psychological characteristics of independence, achievement, and nonconformity, all of which have been found to encourage innovation, are more common in individualistic societies.

Divergently, Hayton et al. (2002) argued that the empirical evidence for such relationship is weak and contradictory. For instance McGrath and Mac-Milla (1992) surveyed over 700 entrepreneurs in nine countries and found that regardless of difference in individualistic/collective orientation, they had some common traits, such as being innovative, proactive, and aggressive. Similarly, Thomas and Mueller (2000) inquired into people's perceptions of entrepreneurs' four traits: innovativeness, locus of control, risk-taking propensity, and energy level across different cultures. In consistent with the earlier findings by McGrath & McMilla, no cultural difference exists with regards to perceptions of entrepreneurs' innovativeness.

By looking at entrepreneurship from a broader perspective, some authors have argued that a

collectivist orientation is negatively related to entrepreneurship practices. For instance Hayton et al (2002) posits that the act of venturing into entrepreneurship is an activity of enterprising individuals who are individually and not collectively rewarded. Similarly, Shane et al (1995) posits that entrepreneurship involves taking personal and not collective risk to achieve success which implies that seasoned entrepreneurs are expected to act alone without the influence of group or family members. However, Zhao et al. (2010) reasoned and pointed that collectivism helps entrepreneurship because collectivistic societies provide more social support and resources either at the government level, or group level. They insisted that families in collectivist societies tend to be more helpful in providing the needed resources for one's entrepreneurial endeavours in addition to the needed social security in the event that things do not work out, which in turn, aids in entrepreneurial engagement through the self efficacy that is required of a potential entrepreneur to venture into new start-up. At the firm level, it is argued that collectivist orientations fosters commitment and sacrifice amongst employees and thus reduces turnover and churn rate. In addition, Zhao, Frese, & Giardini (2010) maintains that in high collectivistic societies, people depend heavily on their special personal relationships, and social networks, for instance Guanxi in the context of China, which paves the way for the much needed connections and interpersonal relationship that is crucial for entrepreneurial success. From this, it is our contention that the collective orientation of China might have aided in its entrepreneurship development through a combination of various firm level, societal level and institutional level policies. The reason for this contention can be traced to two major reasons: 1) at the firm level and societal level, the needed unity and cooperation (Guanxi) that is needed to achieve a desirable development in entrepreneurial practices in the face of entrepreneurship averse collectivist orientation is enjoyed by most Chinese. 2) At the institutional policies level, we place emphasis on the paramount role that national policy framework play in making provisions for entrepreneurial supported infrastructures. For instance it has been pointed that the Chinese thrive in this regard due to the availability of those modern infrastructures that could aid in entrepreneurial development (Tan, 2005)

High Power Distance

As argued by Wu (2012) High-power distance cultures prefer centralized hierarchical structure whereas low-power distance culture prefers decentralized hierarchical structure. According to Shane (2002) the greater a society stresses a social hierarchy, the less the innate inventiveness, that society tends to be. Also, Paul & Steve (1998) concurred that as innovation is change and hierarchies tend to minimize change, hence the two elements are mutually exclusive. In a related view by Hayton et al. (2002) entrepreneurial activity should be higher in low power distance countries. By consolidating on this, Zhao et al. (2010) stressed that since the concept of inequality is mainly emphasized in high power distance societies, it is difficult for potential entrepreneurs of low power groups to have access to the resources, skills and business information that is needed to take advantage of profitable business opportunities

which in turn reduces the number of high growth and high innovation entrepreneurs in such societies (Kirzner, 1997). The implication of this is that the majority of lower classed Chinese might fail to achieve a high success in entrepreneurial ventures as a result of emphasis on power distance.

Contrastingly, Hayton & Cacciotti (2014) presents their own view and insist that high power distance can have a positive impact on entrepreneurial behaviour in that since the construct is associated with respect for power and position, coupled with the fact that the only way perceived by most societies as a means of securing these is to become an entrepreneur, people are thus, motivated to become entrepreneurs with the intention of securing honour and power in the society. By drawing inference from this, it can be pointed that since China is a largely high power distance society which has respect and honour for people in important position, and with the realization that success in entrepreneurship might serve as a platform through which an honourable position can be attained, such realization might have not just served as a source of motivation for many ambitious Chinese to become an entrepreneur but also, to achieve great success in this career line.

Thrift/long Term Orientation

Thrift is another core value associated with Confucianism. It emphasizes saving, self restraint and frugality as posited by Wu (2012), this value system still has heavy impacts on modern Chinese minds. He pointed that modesty and self restraint were highly praised virtues in traditional China hence one can attribute this to the reason why the personal saving of Chinese keep breaking world record. In relation to entrepreneurial activity, it is reasonable to assume that the ability of an individual to restrain himself from spending on unproductive venture by saving for long term prospects might positively impact his entrepreneurial activities. For instance, to exploit a promising entrepreneurial opportunity, an appropriate financial capability is required. Hence, if a potential entrepreneur who is currently engaged in the public sector, can save over a period, his ability to engage in future private enterprise set-up will tend to increase with the amount of his savings. Similarly, an individual that is currently engaged in entrepreneurial venture will have a better means of expanding his venture through modest spending and ability to save hence we conclude that thrift, as a main component of the Confucian value system, in conjunction with an institutional framework, which makes sure that the whole Chinese financial sectors is government owned, thereby ensuring absolute security of deposits has fostered an improvement in savings (Zhao and Pira, 2003) thereby contributing to the development of entrepreneurship in Chinese society.

Harmony

Kinman (2010) posited that a harmonious society is a society that is democratic and ruled by law, fair and just, trustworthy and fraternal, full of vitality, stable and orderly, and maintains

harmony between man and nature. This concept of harmony which was introduced by President Hu Jintao in 2005, and has since then, been enshrined in the country's institutional policy framework, as a vision for the country's future socio-economic development has its root in the Chinese ancient Confucianism. According to Wu (2012) Harmony focuses on rules and regulations. He noted that everyone in the network has to obey the rules to keep relationships in order. Here, superiors enjoy fixed priority. Change and chaos are seen as unwelcome factors which may destroy the harmony and order. In addition, openness to change and innovation, willingness to take risk, comfort-ability with ambiguity and chaos, which are paramount to innovation and entrepreneurship development, are discouraged. However, the act of confrontation is substituted for cooperation which as suggested by Wu (2012) brings success and wealth. He further argued that only with harmony, concord, peace, concerted effort, and moderation can things succeed in cooperation, union, integration, and fusion, which in turn results in wealth, efficiency, and power.

The pronouncement by Huang (2008) also affirmed that the promotion of harmony that can defeat the enemy without waging conflict and that in today's act of management, is that as the key to business success. Here, our conclusion is that while a harmonious society might be such that militate against the creative and inventive capability of its citizens, the concept can also be said to be inevitable in general business management. For instance it can aid in unity and cooperation among relevant stakeholders: suppliers, producers, customers, and the within the organizational settings, a harmonious society will prevent confrontation between the management and employees which can lead to absence of industrial unrest.

Uncertainty Avoidance

Knight (1921) argued that Entrepreneurs have to recognize opportunities in the face of uncertainty. Hofstede (1980) also positioned that people in high uncertainty avoidant countries are threatened by new and unpredictable future situations. While previous studies for instance Yanling and Qing (2009) partly supports the notion that Chinese cultural values have a negative effect on low uncertainty avoidance, Ying (2000) also compared the 71 core Chinese cultural values with Hofstede's four cultural dimensions and argued that those core values reflects high uncertainty avoidance. In other words, Confucianism is deemed to promote high uncertainty behaviour. This is equally supported by (House, Javidan, Hanges, & Dorfman (2002) who agreed that members of an uncertainty avoidance cultures tend to avoid uncertainty by reliance on social norms, rituals, and bureaucratic practices to alleviate the unpredictability of future events all of which are major characteristics of Confucianism. According to Hayton et al. (2002) they also indulge in formalized interaction, documentation and planning, as well as resistance to risk, change and new product development which may suggest that high uncertainty avoidant countries have little support for entrepreneurship. By reasoning along this line, we propose that the value of uncertainty avoidance which has been

highlighted as a component of Confucianism is an attribute which can pose a limitation to the development of entrepreneurship in China.

Nonetheless, the recent study by Wennekers, Thurik, Van Stel, & Noorderhaven (2007) uncovered that uncertainty avoidance is positively related to the prevalence of business ownership across countries. Reason given for this being that entrepreneurial employees are discriminated against by the formal structure of organizations in uncertainty avoidance societies and are therefore pushed into entrepreneurship practices. In addition to this, Zhao et al. (2010) reasoned and concluded that high uncertainty avoidance implies long-term planning, environmental scanning, the prediction of future developments, and contingencies formulation which addresses the uncertainties associated with business venturing. For instance, a high uncertainty entrepreneur might make more accurate forecast, reduce business loss and indulge in intense research and development program which will aid in emergence of qualitative products.

Familism

Wu & Tseng (1985) stressed that familism is an essential feature of Chinese culture. By familism, Lau (1982) pointed that family interests are placed above those of individuals, of society, and of other groups within it, as argued by Wang (2012), this cultural value has manifested itself in Chinese society by subduing the autonomy need of individuals. In addition, he reflected that such manifestation can be seen in the predominance of family managed businesses in typical Chinese societies. Under familism, less emphasis is placed on children's expression of opinions, independence, self-mastery, creativity, and all-round personal development (Ho, 1986). According to Wang (2012) under this cultural orientation, children are discouraged from being proactive and must rely on laid down rules and procedure in the family. Hence, since proactivity has been described by McGrath & MacMilla (1992) as one of the key attribute of entrepreneurs, then one can conclude that the concept of familism in this context impedes on entrepreneurship. Also, it may result in nepotism whereby unqualified human talents are made to occupy positions as a result of their membership of family whereas talented people are out of favour. In addition to all these is management succession problem which has been posited by the Economist (2011) as repeatedly accompanied by family battles that jeopardizes the sustainable development of the business.

Divergently, it is equally reasonable to argue that familism would help in the promotion of entrepreneurship as a result of its emphasis on the management and ownership of business by the family. For instance the financial and material resource for business start up is expected to be provided by the family thereby lessening burden of making such provision by an independent individual. Second, since the ownership of entrepreneurial venture belongs to the family, while family members equally constitutes the labor force in the venture, this

arrangement eliminates the risk of employing untrustworthy partners while equally ensuring commitment and dedication among employees in the firm. In addition, family members are likely to be more interested in the future growth of the organization as against placing emphasis on short term financial benefits (Wang, 2012). Thus, all these must have equally contributed to the growth and development of the enterprise in China.

Theoretical Background

Three lines of theoretical orientations: 1) national culture - personal values- entrepreneurial behaviour” model which is largely rooted in psychological literature and assumes that culture, which is also a product of history has a direct manifestation in the behaviour of people belonging to a specific culture (Hofstede, 1980). 2) The culture- institutional theory which assumes that culture, as informal institution, is the basis of formal institution (North, 2005) and 3) Williamson (2000) four level of social analysis theory which posits that factors such as culture, religion, risk tendencies, institutions, policies are to be considered when meting out justice to factors that may lead to international differences in the entrepreneurial process and outcome of start-up (Begley & Tan, 2001), shall serve as the theoretical background for this study.

In the former, it is assumed that culture exerts influence on the personal values of individuals and their behaviors which imply that national culture can support or impede entrepreneurial behaviour at the individual level (Hayton et al, 2002). In other words, culture indicates the degree to which a society considers entrepreneurial behaviors such as risk-taking, growth-orientation, innovativeness, opportunity recognition and exploitation to be desirable (Zhao, Li & Rauch, 2010). Under this theory, five dimension of culture were identified by Hofstede (2001) these five dimensions are uncertainty avoidance, individualism, masculinity, power distance and long term orientation. Cultures that promote uncertainty avoidance favors orderliness in their organizations, institutions and personal relations, and will always prefer well-anticipated events as against the people in low uncertainty avoidance cultures who are more likely to exhibit less cautiousness, and indulge more in risky business activities thereby leading to more entrepreneurial activities (Yeboah, 2014). According to Hofstede (2001) individualistic cultures lay emphases on self-centeredness and mostly focus on individual goals all of which fosters the needed creativity for entrepreneurship activities. Also, the individuals in highly masculine societies are assertive and behave in an ostentatious manner and they set high performance standards and act vigorously to achieve these standards (Yeboah, 2014). He added that cultures with a low masculinity exhibit contrasting tendencies by placing emphases on social relationships, cordial organizational climates and job security thereby serving as a limit to their entrepreneurial exploit. Moreso, for the individuals in high power distance culture, Kreiser et al (2001) pointed that they have the tendency to exhibit an unequal distribution of power, strong hierarchies and control mechanisms which impedes

their ability for creativity and innovation while a culture high in long term orientation take a more pragmatic approach, encourage thrift and saving as a way to prepare for the future (Hofstede, 2001).

The culture institutional theory assumes that culture acts as a determinant of formal institutions to some degree in a long run, and vice versa. Hence, countries whose culture is entrepreneurship supportive is likely to formulate institutional policies such as free and competitive market, clear private property protection, open and innovative education system and so on, which, in turn, will produce more entrepreneurial activities, while nations, whose institutional policies are formulated to promote entrepreneurial activities will have an entrepreneurship supported business environment, which will henceforth serve as a source of motivation for citizens to engage in entrepreneurial activities and consequently, a national cultural orientation that is entrepreneurial driven.

Lastly Williamson (2000) four interconnected level of social analysis theory is an attempt at providing a conceptual framework to classify the various perspectives on why different countries wind up with different economic outcomes and industrial structures. The first level, which was classified as social embeddedness level concentrate on the influence of culture and religion by decrying that these two are major determinant of national entrepreneurial outcome. The second level, which was termed the institutional environment, maintains that

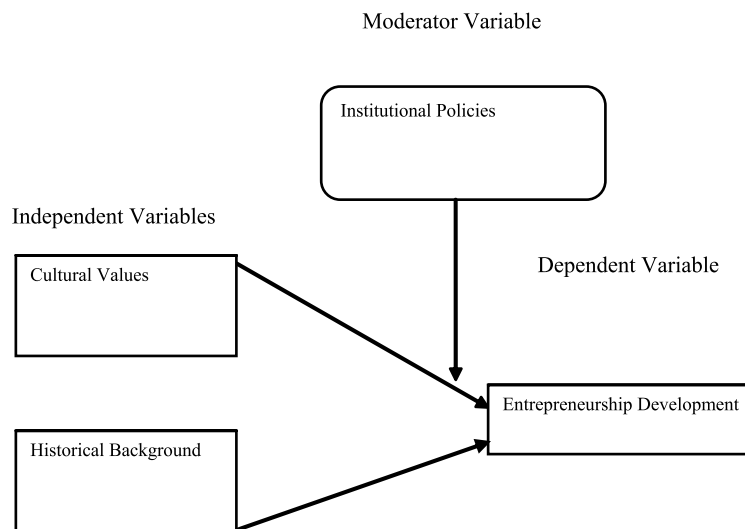


Fig 1: Framework showing the proposed relationship between (cultural values, historical background) on one side, and entrepreneurial development on the other side with institutional policies serving as a framework.

Source: Author (based on the Review of Literature).

Methodology/Approach

Based on the subject in focus in this study and the nature of data available, we employed the use of documentary research approach in highlighting the concept of entrepreneurial development in China taking into consideration, its historical background and cultural values. Specifically, we generated qualitative data from entrepreneurship literature while equally making inference from relevant theories to form the basis of our deductions and conclusion.

Discussion/Conclusion

The study examined the contribution of cultural values and history in the development of entrepreneurship in China. It was uncovered that after the Cultural Revolution which proceeds years of communist rule, entrepreneurship activities among Chinese both home and abroad has witnessed a tremendous upsurge and evolutionary changes. Three schools of thought regarding the contribution of Confucianism (which constitutes the core of Chinese cultural value system) were identified from the review of literature: pro-Confucianism, anti-Confucianism and contingency school of thought.

First the anti-Confucianism school of thought insists that the core value of Confucianism is fundamentally hostile to entrepreneurial practices and that it is responsible for Chinese backwardness most especially before the Cultural Revolution. It went further to emphasize that such attributes of Confucianism as collectivism, high power distance, high uncertainty and being absolutely dependent on the family and social groups impedes on creativity, innovation and entrepreneurship breakthrough. In addition it emphasized that since Confucianism is associated with traditionalism which in turn kill the entrepreneurial potential of a society, then, Confucianism has negatively contributed to Chinese entrepreneurship.

The second school of thought pointed that rather than positioning Confucianism as an impediment to the entrepreneurship process in China, the development of modern enterprise in the country can be traced to its national value system which is rooted in Confucianism. It reasoned that a collectivist culture can promote social network, necessary family and financial supports which will result in a reduction of fear of risk associated with start-up and hence an increase in the number of entrepreneurship ventures. It further emphasized that since morality and honesty are core attributes of Confucianism while at the same time, ensuring transparency and trust among business partners, hence such is likely to result in a significant business breakthrough for them. Also, a high power distance culture might encourage its citizens to indulge in entrepreneurship practices due to his perception that this route offers the ladder to higher social status and position while thrift will encourage long term orientation and the financial saving that is necessary for business start-up.

The third school of thought, described in this study as the contingent school of thought posits that depending on the situation, the values enshrined in Confucianism can impact positively or

negatively on entrepreneurial practices. Put in another way, based on the social, political, economic and technological circumstance, Confucianism will tend to promote or impede on entrepreneurship. For instance regardless of the assumed negative effect of Confucianism on entrepreneurship, the heavy spending by Chinese government to boost technology and industrialization in recent times have given Chinese people access to new product development, and an increase in entrepreneurship practices. In addition, the liberalization of the Chinese market by the government, which has ensured the influx of western culture have positively impacted on the mindset of Chinese men and women, including their love for money and other material possessions. Seeing the great window being offered by entrepreneurship as a means of achieving these feats, they have consequently refocused their mental energies on those values of Confucianism which they perceives can aid in the development of entrepreneurial practices. Thus, modern day Chinese enterprises have been able to combine traditional Confucian values with modern day management principles to achieve entrepreneurial success. This is in line with the contribution by Shen & Yuan (2013) who identified Confucian entrepreneurs by stating that Confucius' disciple CiDuanmu (520456BC), YuanshanJing (18411903) and Ka-shingLi (1928) are known as Confucian entrepreneurs, with good education applying their knowledge as well as moral precepts to managing business and exploring opportunities and challenges in the commercial field. Overall, it is our conclusion that the value of Confucianism which has previously been perceived as an impediment to Chinese entrepreneurship development is becoming increasingly popular as a tool for modern days breakthrough in entrepreneurial practices.

Generally, we conclude that entrepreneurship is part dependence: historical events and cultural values are important in determining the shape and size of entrepreneurship. However, the role of formal institutional policies cannot be ignored in this regard in that it can serve as a buffer in the relationship.

Implications

The findings of this study is in support of the social psychological theory which posits that culture, which is a product of history, has a direct manifestation in the behavior of people within a specific location by influencing the personal values of these people and their behaviors including those geared towards entrepreneurial ventures. Hence, nations, whose principal objective is to enhance the entrepreneurship output of its citizens can, achieve this feat by focusing on national re-orientation geared towards attitudinal change among its citizens. For instance if the culture that supports and lead to entrepreneurship breakthrough such as risk taking, diligence, perseverance, honesty, innovativeness, opportunity recognition and prudence is inculcated into individuals, such might likely be translated into a national culture and an increase in entrepreneurial output.

Second, our findings also lay credence to the institutional theory by North (2005) which assumes that culture, as informal institution, is the basis of formal institution, and vice versa.

This implies that the former has an effect on the later to some degree in a long run, and vice versa. For instance the institutional reforms that characterized the post Cultural Revolution in China aided significantly in re-defining and re-interpreting the cultural values that is embedded in ancient Chinese Confucianism. With the provision of necessary infrastructures and favorable policies (market liberalization) that could aid in entrepreneurial development, the majority of Chinese that were previously involved in the non-lucrative former sector of the government were propelled to utilize their erstwhile innate entrepreneurial supported cultural value in propelling China to a status of entrepreneurial excellence. Put in another way, nation can foster the act of entrepreneurial practices among its citizens by directing its institutional policies towards the enhancement of the social, economic and legal framework which have been highlighted as promoters of entrepreneurship activities.

Third, the effectiveness of societal culture and history in promoting the act of entrepreneurship is dependent on the peculiar circumstance of such society. For instance if the history and national culture of a nation is not in supportive of entrepreneurship practices, such situation can be influenced by manipulating the relevant social, political, economic and technological policies to effect necessary changes vice versa.

Suggestion for further Study

The study relied on qualitative data from secondary sources and thus falls short of evidences that are empirically proven. Hence, further study must be conducted in an empirical atmosphere to verify these findings

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