



GLOBAL MINDSET DEVELOPMENT IN LEADERSHIP AND MANAGEMENT CONFERENCE

PROCEEDINGS

March 1-2, 2013

Volume VIII

Sponsored by

SCHOOL OF MANAGEMENT
UNIVERSITY OF RIVERSIDE
Riverside, California • 92505



UNIVERSITY of RIVERSIDE
Strength in Excellence.

GLOBAL MINDSET DEVELOPMENT IN LEADERSHIP AND MANAGEMENT CONFERENCE

PROCEEDINGS

MARCH 1-2, 2013

VOLUME VIII

**SPONSORED BY
SCHOOL OF MANAGEMENT
UNIVERSITY OF RIVERSIDE
RIVERSIDE, CA • 92505**

**TELEPHONE: 951.637.0100
FAX: 951.637.0400**

www.uofriverside.com

Copyright © 2012 by the University of Riverside.

All rights reserved. Each paper in the following Proceedings is copyrighted and owned by each individual author. Authors work is used by permission and copyrighted to each individual. For information on reproducing any of the following material for publication or for more information in general, please contact the publisher or each author individually. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form by any means, (electronic mechanical, photocopying, recording or otherwise) without prior written permission by the publisher or individual author.

ISBN 978-0-983-2223-8-5

CONFERENCE HEADQUARTERS

Dr. Raj K. Singh, Conference Chair, University of Riverside, Riverside, California

Mrs. Jeannette Singh, University of Riverside, Riverside, California

Mrs. Jane Sommers University of Riverside, Riverside, California

Mrs. Veronica Venegas, University of Riverside, Riverside, California

Ms. Cecia Garcia, University of Riverside, Riverside, California

ORGANIZING COMMITTEE

Dr. Christa Banton, University of Riverside, Riverside, California

Dr. Prachi Bhatt, FORE School of Management, New Delhi, India

Dr. Virginia Green, The Biz Visions Group, Sherman Oaks, California

Dr. Linda Martin, Texas Christian University, Fort Worth, Texas

Dr. Walter McCollum, Organizational Development, HONOR Network Group

Dr. Marjo Mitsutomi, Akita International University, Akita City, Japan

Dr. Zibusiso Ncube, Concordia College, Selma, Alabama

Dr. Ezinwa Ogbechie, University of Riverside, Riverside, California

Dr. Henrietta Okoro, University of Phoenix, Phoenix, Arizona

Dr. Michael Pickett, University of Riverside, Riverside, California

Dr. Sriram Rajagopalan, Capella University, Minneapolis, Minnesota

Dr. Douglas Roberts, University of Riverside, Riverside, California

Dr. David Rodgers, Northwestern Connecticut Community, Winstead, Connecticut

Mr. Esmaeel Saeedy Robot, Islamic Azad University, Taibad Branch, Iran

Dr. Angela Seay, Northcentral University, Prescott Valley, Arizona

Dr. Paul Shankar Mahajan, University of Phoenix, Phoenix, Arizona

SESSION CHAIRS

Darold Simms, Ed.D.

REVIEW COMMITTEE

Shade Akintunde, Ph.D.

Ali Azadeh, Ph.D.

Chanchal Chopra, Ph.D.

Abdul-Nasser El-Kassar, Ph.D.

Sheila Embry, DM

Reginald Gardner, DM

Greg Goussak, Ph.D.

Virginia Green, Ph.D.

Brian Grizzell, Ph.D.

Tarique Hossain, Ph.D.

Lawrence Ibekwe, Ph.D.

David Iwane, Ph.D.

Craig Johnson, Ed.D.

Kema Kalidas, Ph.D.

Therese Kanai, Ph.D.

Prateek Kanchan, Ph.D.

Shradha Kanwar, Ph.D.

Frederick Lawrence, Ph.D.

Allison Leggett, Ed.D.

Paul Mahajan, DM

Walter McCollum, Ph.D.

Marjo Mitsutomi, Ph.D.

Victoria Narachiti, Ph.D.

Alain Nkoyock, DM

Peace Odoemena, DM

Ezinwa Ogbechie, Ph.D.

Henrietta Okoro, DM

Stephen Pase, D.Sc.

Pramad Pathak, Ph.D.

Michael Pickett, Ed.D.

Sriram Rajagopalan, Ph.D.

Douglas Roberts, Ph.D.

David Rogers, Ph.D.

Amna Safdar, Ph.D.

Raj Singh, Ph.D.

Saumya Singh, Ph.D.

Burt Stillar, DPA

Hemben Terseer, DM

Mohammed Wahba, Ph.D.

A MESSAGE FROM THE CHAIR



It is with great pleasure, I want to welcome presenters, organizing committee members, reviewers and session chairs to our seventh conference dealing with global leadership and management issues. This conference is designed to serve as an important meeting for the discussion and exchange of ideas and information to enhance understanding, appreciation, and cooperation among diverse groups of professionals. The sessions and the papers deal with opportunities and challenges faced by leaders and managers in the new global environment.

This document contains papers in several important subject areas of leadership and management. The collection exhibits an excellent selection of quality submissions. The authors are from various organizations located in different parts of the world. Please note that proceedings of this conference are distributed globally.

I want to extend my sincere thanks to conference organizers and participants for their support.

A handwritten signature in black ink, which appears to read "Raj K. Singh". The signature is written in a cursive style with a horizontal line underneath.

Raj K. Singh, Ph.D.
Conference Chair

ABOUT THE AUTHORS



Bennet Ebenezer graduated with his Ph.D from Bharathidasan University, Tamil Nadu, India. He is currently a Senior Lecturer & Head (HR, MKTG, Entrepreneurship) All Nations University College Koforidua, Ghana, West Africa. Speaks English and Tamil. Some of his strengths are leadership qualities, ability to work independently as well as in groups, possess excellent communication skills and is computer literate. Some of his interest are driving, travelling and helping the needy. He is married and blessed with two sons.

The following contact information is provided by Dr. Ebenezer

bennetebenezer@gmail.com



As an adjunct professor, Dr. Henrietta Okoro has taught at the undergraduate and graduate levels for over five years in the areas of leadership, management, business, accounting, and information systems and technology. Having lectured in several universities (Colorado Technical University, National University, and Ashford University), she played important roles in many of the ground-breaking initiatives that contributes to students' growth and academic excellence. Dr. Okoro has a diverse educational background; ranging from a Higher National Diploma in Banking and Finance, Bachelors Degree in Business Administration, dual Masters Degree in Business Management and

Accounting, and a Doctorate in Organizational Leadership with specialization in Information Systems and Technology.

On the IT industry, Dr. Okoro has also created a niche, over 12 years of successfully leading the software quality control and assurance in a Telecommunication industry. She has over 22 years of professional experience in information technology, accounting, and management. In addition, she is an executive director in an Oil and Gas Services Company and Chief Executive Officer in a management consulting firm.

Dr. Okoro is a published author and has presented and published several peer reviewed articles in the field of management, leadership, and information technology. She is the Editor-in-chief for Journal of ANWAD (an international peer reviewed journal for integrated research), a peer reviewer for the global mindset and management conference proceedings, and the national president for Association of Nigerian Women Academic Doctors, Inc., (a non-profit organization that advocates for research, educational development, and women empowerment). The list of her past and recent publications can be accessed via: www.cyttagroupllc.com/publications.php. She is a certified software test engineer (CSTE); a senior member with Quality Assurance Institute (QAI) and American Society for Quality (ASQ). Dr. Okoro is married with four children.

The following contact information is provided by Dr. Okoro

drokoro@cyttagroupllc.com



Dr. Onukwugha graduated with a Bs in Purchasing and Supply and completed two Masters Degrees. His first Masters Degree was in Marketing from University of Ibadan whereas his second Masters Degree was in Economics from University of Maiduguri. In 2011 Dr. Onukwugha completed and obtained a Doctor of Business Administration Degree in Marketing from Argosy University, Washington DC Campus. He has worked for several large organizations such as Elf Oil Nig Ltd, Gottscalks and EMS divisions of UAC, Bauhaus International Ltd. and several other institutions. Dr

Onukwugha served in Elf Oil (Nig) Ltd. in various capacities. He joined the company as a Sales Representative (Petroleum Products Sales), and left as Head General Services. Elf Oil (Nig) Ltd used to be a French owned Petroleum conglomerate, before they merged with TOTAL Oil (Nig) Ltd. In November 1998, he joined Bauhaus International, as a Sales and Procurement Manager and remained with them till June 2001, two months before he relocated to the United States of America. On arrival in US, he has been working with BTC technologies as an IT Consultant between 2001 till present He has a considerable teaching experience having earlier taught Mathematics and Economics for Grades 11 and 12 at Anglican Girls Grammar School Ijebu Ode, Nigeria. He also taught undergraduate students of Imo state University, Principles of Economics and Fundamentals of Marketing between 1998 till 2000. Dr. Onukwugha has so far recorded one publication titled “Relationship between Product branding and purchase decision” and is working hard to record more publications. He is married with four children.

The following contact information is provided by Dr. Onukwugha:

aonukwugha@hotmail.com



Dr.Devadatta Ranade graduated with B. Com and completed a Masters Degree in commerce & Management from the Pune University – Maharashtra- India. After completing Masters’ Degree in Commerce, he accepted teaching profession in Pemraj Sarda College-Affiliated to Pune University-India.

He achieved Ph.D. In **Marketing Management** form R.S.T.M. Nagpur University- India in 2007. His research topic was - “Marketing Management of Small Scale Industries in India”.

Dr. Devadatta Ranade is teaching various Commerce and Management subjects i.e. - Business Administration, Cost and Works Accounting, Marketing Management, Human Resource Management etc. for last 33 years until date.

Dr. Ranade has worked for several organizations such as District Libraries’ Association, National Cadets Corps, Snehalaya- Social Organization etc.

At present, he is working as Head of the PG Department & Associate Professor in Commerce at Pune University’s Pemraj Sarda College -India. He is research guide for following subjects-

“Marketing”-Pune University-Maharashtra –India

“Management Studies”-Pacific University-Rajasthan-India

Two students have registered under his guidance for ongoing Ph.D. research.

He has worked as Coordinator and Resource person for various National and International Seminars.

1--Journal of Marketing Development and Competitiveness (**JMDC**) - North American Business Press- Florida-USA

2--IOSR- Journal of Business and Management (**JBM**) - U.P.-India

3--Conference Proceeding IBFR- Costa Rica, etc. had published his research papers on various topics in Marketing i.e.

Marketing Mix in Global Scenario, “3 R” Approach in Market Mechanism, Life Span Concept-Model Marketing Techniques, etc.

He is Member- Editorial Board for IOSR-JBM (ISSN 2278-487X)

Memberships/Accomplishments --

Dr. Ranade is member of International Organizations as

Academy of Marketing science Louisiana Tech University- Ruston-LA, UK

Marketing Research Association, Southern California- U.S.A.

Covington Who’s who has incorporated his profile as Eminent Scholar in the field of Education.

The following contact information is provided by Dr. Ranade

devadatta.ranade@gmail.com

The following contact information is provided by Boniface Toulassi

bonitou@mail.regent.edu

**Conference on Global Mindset Development in
Leadership and Management**

Volume VIII Fall 2013

Table of Contents

The Influence Of Stock Specific Factors On The Sentiment Of Equity Investors: Evidence from Ghanaian Stock Market	10
Ebenezer Bennet All Nations University College Ghana, West Africa.	
Technology And E-Commerce: A Case Of Improving Organizational Performance In Ebay	31
Henrietta Okoro DM University of Phoenix Phoenix, Arizona, USA	
Marketing Strategies Appropriate For Japanese Market	44
Alexander C. Onukwugha, PhD BTC Technologies Ellicott City, Maryland, USA	
Customer Relationship Management	52
Devadatta Ranade PhD Pemraj Sarda College Maharashtra, India	
Educational Leadership: Educational Renaissance in Francophone Africa	69
Boniface Toulassi Regent University Virginia Beach, Virginia, USA	

THE INFLUENCE OF STOCK SPECIFIC FACTORS ON THE SENTIMENT OF EQUITY INVESTORS: EVIDENCE FROM GHANAIAN STOCK MARKET

By

Ebenezer Bennet

G. Owusu-Bempah

Ricky Okine Charles

Lydia Obenewaa Amoako

Asumadu Edward

All Nations University College

Ghana, West Africa.

Abstract

The financial markets become more 'peopled', the behavioural patterns observed in individual investors. The individual investors' attitudes and opinion towards investing must have a significant impact on the stock market. The aim of this study is to analyse the individual investor's sentiment and study the influence of Stock Specific Factors on investors' sentiment. The investors were administered a Structured Schedule, to measure the investor's sentiment. The impact of Psychological Factors, Past price performance, Price earnings and familiarity with products, Price earnings and familiarity with products, Recommendation of the financial community, Expected events surrounding the stock and Book Value, Who else is buying, Quality of Management, Financial Characteristics and Price cut off rules were tested in this study by using the Bootstrapping method. It is found that the overall Stock Specific Factors did not have much influence on the investors' sentiment in Ghana.

Key Words: Investors' Sentiment, Best Game, PLS Path Modeling, Stock Specific Factors, Psychological Factor, Financial Community, Quality of Management.

Introduction

Ninety percent of what we do is based on perception. It doesn't matter if that perception is right or wrong or real. It only matters that other people in the market believe it. I may know it's crazy, I may think it's wrong. But I lose my shirt by ignoring it.

“Making Book on the Buck”

Wall Street Journal, Sept. 23, 1988, p. 17

1.0 Introduction

Behavioural Finance can also be defined as the study of investors' attitudes towards investing and its effect on financial markets. In an article in, **New York Times** dated **06/07/98**, the writer says that Behavioural Economists hold the view that investors overvalue private information and undervalue public information. It attributes the growing importance of 'financial emotions' of the average citizen to 'trickle down' to finance. Sophisticated and important financial decision-making is not restricted any more to the rich and the elite. It is now the individual investors who frequently make decisions regarding credit card expenditures, mutual fund investments, retirement plans, mortgages, home equity loans etc. It is through these mundane, daily choices that average individual investors directly affect market conditions, such as inflation rates, interest rates, money supply etc.

The study of market or investors' sentiment has its basis in the theories of Noise Trader Models. (**Kyle 1985**) and (**Black 1986**). Both experts suggest that if some traders trade on 'noisy' signals, unrelated to fundamental data, then the market prices may deviate from intrinsic value. The Noise Trader Sentiment can persist in financial markets. They argue that *changes* in Noise Trader Sentiment must be difficult to predict to avoid arbitrage. The assets that are disproportionately exposed to Noise Trader Risk are both riskier and have to offer an extra return premium. (**DeLong, Shleifer, Summers, and Waldmann, 1990**).

The research in Behavioural Finance is comparatively less both in Ghana, when compared to other foreign countries. Behavioural Finance is defined by **Shleifer, A (1999)** as, “a rapidly growing area that deals with the influence of psychology on the behavior of financial practitioners”. Behavioural Finance mainly focuses on how investors interpret and act on micro and macro information to make investment decisions. The globalization of financial markets has been increasing the number of retail investors over the past two decades by providing a wide variety of market and investment options. However, it makes the investment decisions process much more complex.

The retail investors generally consider their investment needs, goals, objectives and constraints while making investment decisions. But it is not possible for them to make a successful investment decision at all times. Their attitude is influenced by a variety of factors such as dividend, get rich quickly strategy, stories of successful investors, online trading, investor awareness programme, etc. A better understanding of behavioral processes and outcomes are important for financial planners because an understanding of how investors generally respond to market movements would help them in devising appropriate asset allocation strategies for clients. (**Hussein et al 2006**).

The Ghanaian stock market has been around for close to two decades. The creation of the Ghana Stock Exchange was part of the recommendations of the economic reforms carried out in the 1980s to generate sustainable economic growth and development.

Stock Markets in any country would boost domestic savings and increase the investments. Hence with the same objective in mind stock markets are opened in Africa. Generally, stock markets are seen as enhancing the operations of the domestic financial system in general and the capital market in particular (**Kenny and Moss, 1998**). However, it is also argued that the stock market might not perform efficiently in developing countries and that it may not be feasible for all African markets to promote stock markets given the huge cost and the poor financial structures (**Singh, 1999**).

Various studies have been conducted in other countries but there is no comprehensive study covering Investors’ Sentiment on Equity in Ghana. Hence this study attempts to find out the Impact of Investors’ Sentiment on the Equity Market in Ghana.

2.0 Literature Review

The following are the select earlier research studies conducted in the area of Behavioural Finance.

The paper entitled, “**Behavioral Finance: Is Investor Irrationality the Norm?**”, by Shailaja Gajjala (2005), identified investment biases possessed by retail investors. The study found that 90 % of the sample reported that their current and future investment decisions were dependent on their past choices. Finally, the study found the evidence of retail investment biases that lend credence to the proponents of Behavioral Finance. The paper entitled, “**Investor Sentiment and Stock Market Response to Corporate News**”, by G. Mujtaba Mian, and Srinivasan Sankaraguruswamy (2008), examined whether market-wide investor sentiment influences the stock price response to firm-specific news. The results indicate that the prevailing sentiment sways stock price response to news in the direction of the sentiment—the positive stock price response to good news and increase with sentiment, whereas the negative stock price response to bad news and decrease with sentiment. A paper entitled, “**Market Response to Investor Sentiment**”, by Jördis Hengelbrock Erik Theissen Christian Westheide (2010), suggested that measures of investor sentiment have predictive power for future stock returns over the intermediate and long term. The study suggested that smart investors should trade on the information conveyed by such indicators and thus triggered an immediate market response to their publication. The paper entitled, “**Investor Sentiment and Real Investment**”, by David McLean and Mengxin Zhao (2010), studied the effects of systematic investor sentiment on investment and external finance over a 44-year period. Sentiment causes both investment and external finance to be more sensitive to growth opportunities and less sensitive to cash flow. The findings are broadly consistent with a sentiment-costly, external financing framework in which sentiment affects the prices of risky securities. The paper entitled, “**Investor Sentiment and Real Investment**”, by David McLean and Mengxin Zhao (2010), studied the effects of systematic investor sentiment on investment and external finance over a 44-year period. Sentiment causes both investment and external finance to be more sensitive to growth opportunities and less sensitive to cash flow. The findings are broadly consistent with a sentiment-costly, external financing framework in which sentiment affects the prices of risky securities. The paper entitled, “**Does Customer Sentiment Contribute to Investor Sentiment:**

Glamour Brands and Glamour Stocks?”, by Matthew T. Billett, Zhan Jiang and Lopo L. Rego (2010), explored the link between customer sentiment for corporate brands and investor sentiment for their stocks. The study found that a portfolio of stocks with glamorous brands, indicating high customer sentiment, have large negative loadings on the Fama French HML Factor while those with the low sentiment have a positive loading. It is suggested that glamorous brands can contribute to the existence of glamour stocks. An article entitled, **“How Does Investor Sentiment Affect Stock Market Crises? Evidence from Panel Data”**, by Mohamed Zouaoui et al (2010), tested the impact of investor sentiment on a panel of international stock markets. The study examined the influence of investor sentiment on the probability of stock market crises. It is found that the investor sentiment increases the probability of occurrence of stock market crises within a one-year horizon. Bennet and Selvam, (2011) found out that **SPERTEL risks** had influenced the value of equity shares in the market. The market factors had influenced the stock selection Decision of Retail Investors in India. Bennet et al (2011) carried out a study and found that most of the investors expect the stock prices to go up to a degree greater than most of their investments. If the market has gone down, they think it would rebound. If the market is up, they think it would go further. In either case, they make investment decision on account of the assumption that the stock market would give better returns. It is to be noted that the literature on investor’s sentiment is still in its infancy, and much remains to be discovered and learnt. There is no comprehensive study in Tamil Nadu, India, focusing on market specific factors that influence investors’ sentiment. Hence this study, with the primary objective of analyzing data on individual equity investors, proposes to identify the stock specific factors that influence investors’ sentiment.

Stock Factors / Variables that influence Investors’ Sentiment

The Stock Specific Factors (SSF) includes nine factors that were identified as independent variables. They are Financial Characteristics, Psychological Factors, Quality of Management, Expected Events Surrounding the Stock and the Book Value, Recommendation of the Financial Community, Price Cut-off Rules, Who else Buy?, Past Price Performance and Sector Attractiveness and Price Earnings Ratio and Familiarity with the Products and Services. The various Stock specific factors (variables) are briefly described below:

Financial Characteristics (FC): The financial characteristics comprise of the various financial ratios pertaining to a company. These ratios are calculated on the basis of information publicly available in the Annual Report of the company. These ratios include Dividends per Share, Cash Flow per Share, Current Assets to Current Liabilities Ratio, Interest Coverage Ratio, Debt to Equity Ratio, Quality of Assets, Return on Assets and Turnover Ratio (Accounts Receivable and Accounts Payable).

Psychological Factors (PF): Psychological Factor too plays an important role in stock selection. The psychological factors refer to investors' gut feeling, intuition, rumours and recommendation by friends, family and peer. **Chip Heath, Steven Huddart, and Mark Lang** (2006) investigated stock option exercise decisions with over 50,000 employees at seven corporations. It is found that consistent with psychological models of beliefs, employees exercise in response to stock price trends—exercise was positively related to stock returns during the preceding month and negatively related to returns over longer horizons. Psychological Factors include Recommended by Friend, Family & Peer, Investors' Gut feeling, and Rumors.

Quality of Management (QM): It is the engine that drives the train. The efficiency of the top management determines the performance of the company. Hence the investors are particular about the track record of the CEO and other Directors before investing in any stock. The factors of Quality Management were Industry Sector to which stock belongs, CEO / MD – Track Record, and Expertise, and Quality of Management.

Expected Events Surrounding the Stock and the Book Value (EESS): This factor comprises of various events and stock characteristics that investors believe would influence the investment decision. The three factors under EESS were Book Value, Expected Stock Value and Potential Takeover Target.

Recommendation of the Financial Community (RCF): Before investing in any stock, the individual investor is anxious to get more information and recommendation from the financial community. RCF factor includes professional advice from various sources, namely,

Recommended by analyst and Research Reports, Recommended by broker and Recommended by stock market 'gurus'.

Price Cut-off Rules (PCR): Many investors feel 'Price Cut-off Rules' play a vital role in stock selection though it is an irrational rule. PCR rules include insider buying.

Who else Buy? (WEB): The individual Investors often study the names of institutional investors who are behind the company issue before confirming their investment decisions. But, institutions and corporations normally buy shares in bulk. When corporation decide to sell its holding, it adversely affects the price of the share. Moreover, it is not possible to predict when the institutional investors would sell their shares. Hence it is always advisable for the individual investors to avoid buying shares of a company that has a significant percentage of shares held by the institutions. The factors include Insider Buying and Major Institutions & Corporations currently buying the stock of the Company.

Past Price Performance and Sector Attractiveness (PPSA)

This PPSA is important for investors. This factor contains two stock features, namely, the past price performance of the stock including any recent price over reaction and is the stock and its sector viewed as 'hot'?

Price Earnings Ratio and Familiarity with the Products and Services (PERFPS)

Price to Earnings Ratio and Familiarity with Products and Services is another important stock specific factor. For the purpose of this study, all the above nine Stock Specific Factors were considered as independent variables.

Objective of the Study

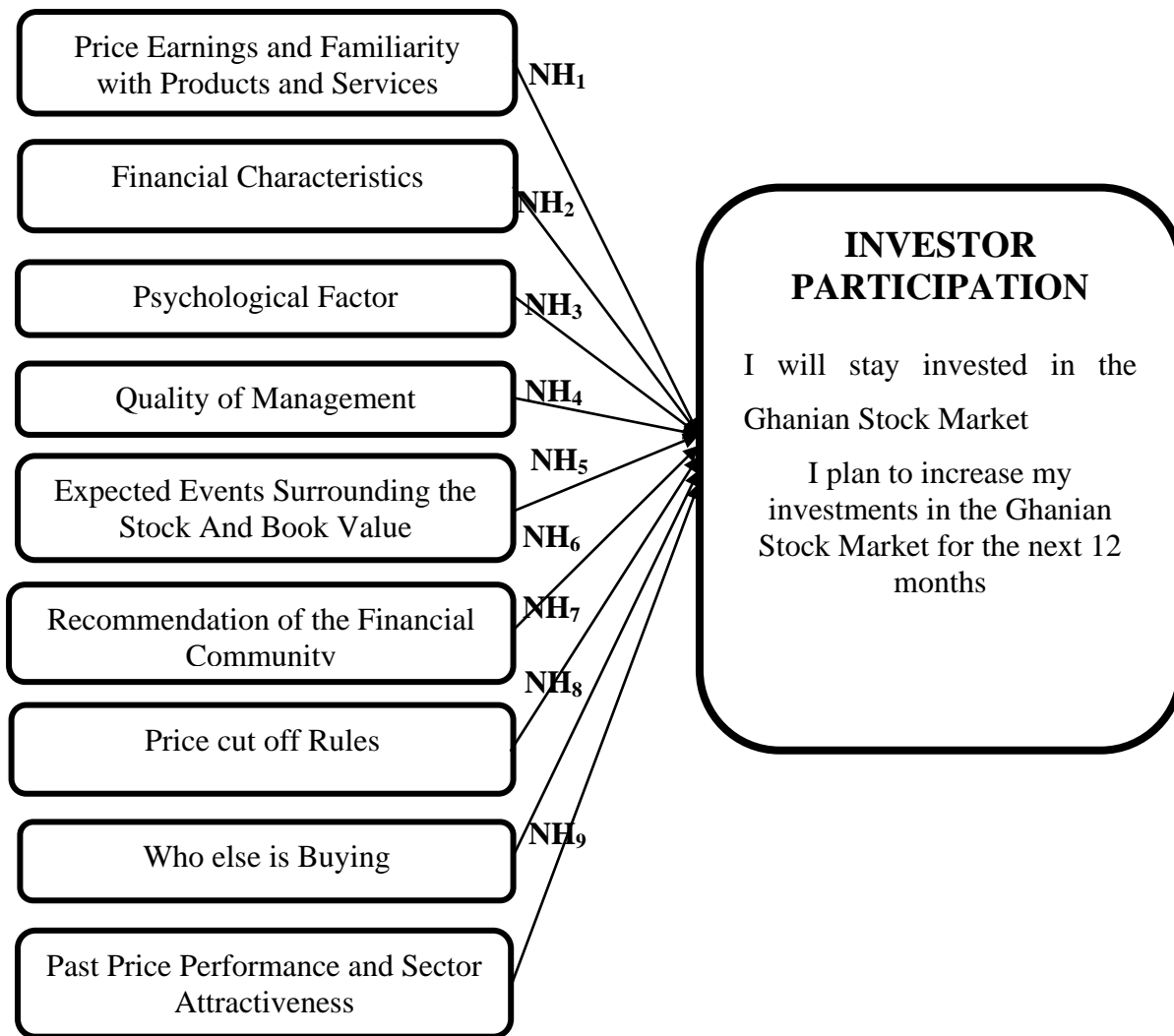
An attempt has been made in this study to examine the influence of Stock Specific Factors on the sentiment of Equity Investors in Ghana.

Hypothesis of the Study

Investors' Participation is a more comprehensive measure of sentiment since it includes market expectation and investors' level of participation. The following nine null hypotheses (**NH₁** to **NH₉**) were formulated and tested.

- NH₁**: There is no relationship between Investors' Participation and Price Earnings and Familiarity with Products and Services
- NH₂**: There is no relationship between Investors' Participation and Financial Characteristics
- NH₃**: There is no relationship between Investors' Participation and Psychological Factor
- NH₄**: There is no relationship between Investors' Participation and Quality of Management
- NH₅**: There is no relationship between Investors' Participation and Expected Events Surrounding the Stock and Book Value
- NH₆**: There is no relationship between Investors' Participation and Recommendation of the Financial Community
- NH₇**: There is no relationship between Investors' Participation and Price cut off Rules.
- NH₈**: There is no relationship between Investors' Participation and who else is Buying, and
- NH₉**: There is no relationship between Investors' Participation and Past Price Performance & Sector Attractiveness.

The hypotheses developed are given in the figure.



Methodology of the Study

Data Collection and Instrument Administered

The instrument used for this study consists of six constructs (independent variables), namely, Herd Behaviour of Investors, Internet Led Access to Information and Trading, Macro Economic Factors, Risk and Cost Factor, Performance Factor and Confidence Level of Institutional Investors, Best Game in Town and Investors' Optimism is taken as a Dependent Variable (another construct). These seven constructs were already developed and validated by Shiller's (1999) and used by Vandana Singhvi (2001) Bennet Ebenezer (2011).

Sources of Data

The research design for the study was descriptive in nature. The Researchers depended heavily on primary data. The required data were collected from the retail investors living in Ghana through a Structured Interview Schedule. The study was conducted during the period between July and September, 2011.

Sampling Size and Procedure

In order to collect the required information from the retail investors, the sampling design was carefully decided and properly chosen for the study. The sample size covered 100 retail investors who were spread through three different investment centres in Ghana. The important places where large investors are available were identified as Investment Centres, for this study using Purposive Sampling Method. The three important places in Ghana were Accra, Tema and Koforidua.

Variables used

Dependent variables: This study consists of the following Dependent Variables

- i. Stock prices in Ghana will rise in the next 12 months.
- ii. I plan to increase my investment in the Ghanaian Stock Market in the next 12 months.

Independent Variables: The study consists of nine Stock Specific Factors influencing Investors Sentiment. The in-depth interviews and secondary research identified nine multi-item Stock Specific Factors that possibly influenced investors' attitude towards investing. In the survey, the sample respondents were asked to rate each item on a one (not important) to seven (very important) point scale, indicating the extent to which they thought each of the item is likely to influence the individual Investors' attitude towards investing. The idea was to get the relative importance of stock factors likely to influence on investors' sentiment.

This rating was used to list the independent Stock variables that could impact investors' sentiment.

Reliability Test: **Tables -1** shows the value of reliability (Alpha) test for market specific factor. The reliability value of each Stock factors were ascertained and the Alpha values of each Stock specific factors are : Psychological Factors - 0.804, Past price performance and Sector Attractiveness - 0.701, Price earnings and familiarity with products - 0.879, Recommendation of the financial community - 0.879, Expected events surrounding the stock and Book Value - 0.748, Who else is buying - 0.842, Quality of Management - 0.836, Financial Characteristics - 0.905 and Price cut off rules - 0.845. The reliability of each construct in question was examined using Cronbach's alpha (**Cronbach**, 1951). An alpha score, larger than 0.5 is generally acceptable as sufficient accuracy for a construct (**Nunnally**, 1978). Hence all the constructs are considered to be very good as the alpha value of each construct was more than 0.5.

It is to be noted that after the collection of data, the scales were analyzed to test the purification of scales, reliability of scales, unidimensionality of scales and validity of the scales. The purification was done using Corrected Item Total Correlation (CITC), reliability was tested using Cronbach's Alpha while validity and unidimensionality were tested using PLS Path Modeling. Before any type of factor analysis was done (Exploratory Factor Analysis, EFA or Confirmatory Factor Analysis, CFA), it was essential to purify the measuring instruments of variables that did not correlate to the constructs (**Churchill**, 1979). The purification was carried out by inspecting the CITC values of each variable with respect to the construct to which it belongs. CITC indicates whether the variable actually belongs to the construct or not. The variables showing scores lower than 0.5 were deleted, unless there was a compelling reason to keep them in the construct. Reliability of constructs refers to the accuracy with which the constructs repeatedly measure the same phenomenon without much variation. Validity refers to the accuracy of the research instrument. There are three types of validity, which are commonly examined in research projects namely, Content Validity, Construct Validity and Predictive Validity (Gaur and Gaur 2006). The Researcher used Convergent Validity for this study. The Convergent Validity of each construct, modelled in

the reflective mode, was verified by examining the “Average Variance Extracted (AVE)” values. Generally, constructs, which have AVE greater than 0.50 and composite reliability greater than 0.70, are considered to have a good Convergent Validity. (Chin 1995, 1998, Chin et al 1999 and 2003).

The Results of Structural Equation Model

In this study, Structural Equation Modeling was employed to test the unidimensionality of the constructs. There are two approaches to Structural Equation Modeling— Covariance Methods and PLS Path Modeling. Covariance Methods make rigid assumptions about the distribution of variables (multivariate normality) and the sample size (at least 200). Another criterion is the degrees of freedom, which means that each construct should have at least three indicators for it to be identified. These three indicators do not make any assumptions about the distribution of the data and the sample size needed for model validation and testing is much smaller. The convergent validity of each construct was checked by examining the Average Variance Extracted’ (AVE) values. Constructs, which have AVE values greater than 0.5, are said to have convergent validity or unidimensionality. In some cases, values up to 0.4 are also considered if they are central to the model (**Chin, 1995 and 1998; Chin and Newsted, 1999; and Chin *et al.*, 2003**). The Discriminant Validity of Constructs is ascertained by comparing the AVE scores of two constructs, with the square of the correlation between the two constructs. If both the AVE values are larger than the square of the correlation, the constructs can be considered to show Discriminant Validity (**Fornell and Larcker, 1981**).

Table – 1 Purification results of Independent Variables

Financial Characteristics	CITC
	Iteration 1
Dividends per share	0.693
Cash flow per share	0.697
Current Assets to Current Liabilities ratio	0.732

Turnover Ratio (Accounts receivable, Inventory Accounts Payable)	0.734
Interest Coverage Ratio	0.691
Debt to Equity Ratio	0.742
Quality of Assets and Return on Assets	0.734
Alpha Value	0.905
Purification results of Psychological Factors	
Recommended by Friend, Family, Peer	0.710
Investors' Gut feeling	0.611
Rumors	0.626
Alpha Value	0.804
Purification results of Quality of Management	
Industry sector to which stock belongs	0.683
CEO / MD – Track Record, Expertise	0.677
Quality of Management	0.735
Alpha Value	0.836
Purification results of Expected events surrounding the Stock and Book Value	
Book Value	0.510
Expected Stock Value	0.571
Potential Takeover Target	0.646
Alpha Value	0.748
Purification results of Recommendation of the Financial Community	
Recommended by analyst, research reports	0.745
Recommended by broker	0.806

Recommended by stock market ‘gurus’	0.751
Alpha Value	0.879
Purification results of Recommendation of the Price cut-off rules	
Insider Buying	0.732
Major Institutions & Corporations currently buying the stock of the Company	0.732
Alpha Value	0.845
Purification results of Past price performance and Sector attractiveness	
The past price performance of the stock including any recent price over reaction	0.540
Is the stock and its sector viewed as ‘hot’.	0.540
Alpha Value	0.701
Purification results of Price earnings ratio and familiarity with the products and services	
Price to earnings ratio	0.785
Familiarity with products and services	0.785
Alpha Value	0.879

Source: Computed from Primary Data using SPSS 16

Analysing the Influence of Stock Specific Factors on the Investors’ Sentiment

The analysis of level of influence of nine Stock Specific Factors on the Equity Investors’ Sentiment in Ghana was based on:

- a. **Construct Level Correlation Analysis**
- b. **Boot Strap Summary for Individual Stock Specific Factors**

a. Construct Level Correlation Analysis

Table - 2 exhibits that there exists a positive correlation between the PEFPS and IP ($r=0.600$), FC and IP ($r=0.630$), PF and IP ($r=0.669$), QM and IP ($r=0.621$), EESS and IP ($r=0.608$), RCF and IP ($r=0.590$), PCF and IP ($r=0.499$), WEB and IP ($r=0.515$), PPPSA and IP ($r=0.619$). The correlation coefficient between the entire nine variables namely PEFPS, FC, PF, QM, EESS, RCF, PCF, WEB, PPPSA and IP were positively significant at 0.01 per cent level.

Though the bivariate correlations are significant between the constructs, it is still necessary to assess the Path Coefficients in the structural model as a causal effect. The results were examined at 5 per cent significance level and the t-statistic value at 0.05 level was 1.96. If the t-statistic value is greater than 1.96, the path is significant.

Table 2 - CONSTRUCT LEVEL CORRELATION ANALYSIS

Hypothesis	Independent Variable	Dependent Variable	Pearson Correlation	Sig. (2 Tailed)
NH ₁	PEFPS	INVESTOR PARTICIPATION	0.600	0.000**
NH ₂	FC		0.630	0.000**
NH ₃	PF		0.669	0.000**
NH ₄	QM		0.621	0.000**
NH ₅	EESS		0.608	0.000**
NH ₆	RFC		0.590	0.000**
NH ₇	PCF		0.499	0.000**
NH ₈	WEB		0.515	0.000**
NH ₉	PPPSA		0.619	0.000**
** Correlation is significant at 0.01 level				

Source: Primary Data

1. Boot Strap Summary for Individual Stock Specific Factors

Table - 3 presents the results of the Boot Strap summary for Stock Specific Factors and Investors' Participation. It is to be noted that the null hypotheses, - 1 to 9, were related to the relationships between Price Earnings Ratio and Familiarity with the Products and Services, Financial Characteristics, Psychological Factors, Quality of Management, Expected Events Surrounding the Stock and the Book Value, Recommendation of the Financial Community, Price Cut off Rules, 'Who else is Buying?', Past Price Performance and Sector Attractiveness, and the outcome variable of Investor Participation. These hypotheses were tested by using PLS-PM Procedure in Visual PLS Software. The results of these hypotheses are given below:

A. Price Earnings Ratio and Familiarity with the Products and Services: The study established the negative relationship between PEFPS and IP. The study proved that it was not statistically significant at 0.05 level (Beta = 0.117, $t= 1.8222$). This indicates that PEFPS did not influence the Investor Participation. Hence, the null hypothesis (NH_1), namely, **there is no relationship between Investor Participation and Past Price Performance & Sector Attractiveness**, is accepted.

B. Financial Characteristics: The study established the positive relationship between FC and IP and proved that it is statistically and negatively significant at 0.05 level (Beta = - 0.0426, $t= -3.4933$). This indicates that IP was indirectly influenced by FC and it means that when IP increases, FC decreases and vice versa. Therefore, the null hypothesis (NH_2), namely, **there is no relationship between Investor Participation and Financial Characteristics**, is rejected.

C. Psychological Factors: According to the results, the path linking PF to the extent of usage of IP was found to be positively significant at 0.05 level (Beta = 0.225, $t= 1.9613$). This indicates that IP influenced the PF. Hence, the null hypothesis (NH_3), namely **there is no relationship between Investor Participation and Psychological Factor**, is rejected.

D. Quality of Management: The relationship between QM and IP was found to be positively significant at 0.05 level (Beta = 0.221, $t= 2.5559$). This indicates that QM influenced the Investor Participation. Hence, the null hypothesis (NH_4), viz, **there is no relationship between Investor Participation and Quality of Management**, is rejected.

E. Expected Events surrounding the Stock and the Book Value: The relationship between EESS and IP was found to be positively significant at 0.05 level (Beta = 0.305, t= 3.1327). This indicates that EESS highly influenced the Investor Participation. Therefore, the null hypothesis (NH₅), namely, **there is no relationship between Investor Participation and Expected Events Surrounding the Stock and Book Value**, is rejected.

F. Recommendation of the Financial Community: The study established the positive relationship between RFC and IP. The study proved that it was statistically significant at 0.05 level (Beta = 0.298, t= 4.2119). This indicates that RFC was positively and highly influenced by the Investor Participation. Hence, the null hypothesis (NH₆), namely, **there is no relationship between Investor Participation and Recommendation of the Financial Community**, is rejected.

G. Price Cut off Rules: The path linking PCF to the extent of usage of IP was not found to be significant and it was also negatively related at 0.05 level (Beta = - 0.063, t= -1.383). This indicates that PCF did not influence the extent of usage of IP in ISs. Hence, the null hypothesis viz, (NH₇), namely, **there is no relationship between Investor Participation and Price cut off Rules**, is accepted.

H. ‘Who else is Buying?’: The path linking WEB to the extent of usage of IP was not found to be significant and it was also negatively related at 0.05 level (Beta = - 0.087, t= -1.3662). This indicates that WEB did not influence the extent of usage of IP in ISs and it was also negatively related. Therefore, the null hypothesis (NH₈), namely, **there is no relationship between Investor Participation and Who else is Buying**, is accepted.

I. Past Price Performance and Sector Attractiveness: The study established the negative relationship between PPPSA and IP. The study proved that it was not statistically significant at 0.05 level (Beta = 0.148, t= 1.8504). This indicates that PPPSA did not influence the Investor Participation. Hence, the null hypothesis (NH₉), namely, **there is no relationship between Investor Participation and Past Price Performance & Sector Attractiveness**, is accepted.

The validation of the relationship between Investors’ Participation and Individual Stock Specific Factors is given in **Figure – 1**. It could be inferred from that among the nine Stock

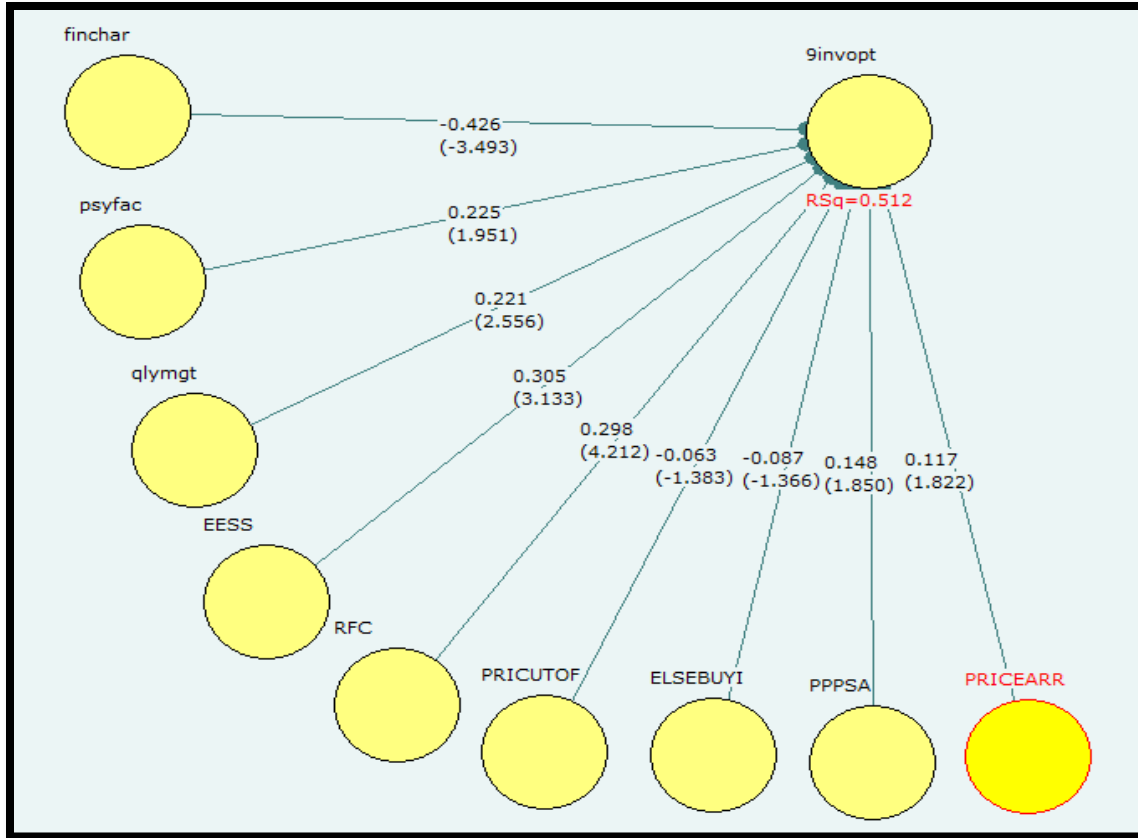
Specific Factors, five factors recorded positive relationship with Investors' Participation and those factors were Psychological Factors, Quality of Management, Expected Events surrounding the Stock and the Book Value, Recommendation of the Financial Community, Price Cut off Rules.

Table – 3 Boot Strap Summary for Stock Specific Factors and Investor Optimism

Hypothesis	Entire Sample Estimate	Mean of Sub Samples	Standard Error	T-Statistic	R Square Value	Result
NH ₁₅	0.117	0.1098	0.0642	1.8222	0.512	Insignificant
NH₁₆	-0.426	-0.4181	0.1219	-3.4933		Significant
NH₁₇	0.225	0.2485	0.1153	1.9613		Significant
NH₁₈	0.221	0.2116	0.0865	2.5559		Significant
NH₁₉	0.305	0.3128	0.0974	3.1327		Significant
NH₂₀	0.298	0.2946	0.0708	4.2119		Significant
NH ₂₁	-0.063	-0.067	0.0456	-1.383		Insignificant
NH ₂₂	-0.087	-0.0999	0.0637	-1.3662		Insignificant
NH ₂₃	0.148	0.1419	0.08	1.8504		Insignificant

Source: Primary Data. Computed using SPSS 16

Figure - 5.2 Validation of the relationship between Investors' Participation and Individual Stock Specific Factors



Source: Primary Data. Computed from Table 2 using Visual PLS software

Conclusion

The present study investigated the sentiments of Ghanaian Equity Investors. The analysis of this study clearly shows that Sample Investors felt that they will stay invested in the Ghanaian Stock Market, and also plan to increase their investments in the Ghanaian Stock Market in the next 12 months. The study found that during the period of the Post Global Crisis, Investors' Participation was influenced by five factors namely financial characteristics, Psychological factors, Quality of Management, Expected Events surrounding the Stock and the Book Value and Recommendation of the Financial Community. Finally, it is concluded that the overall Stock Specific Factors had influence on Investors' Sentiment in Ghana.

REFERENCES

1. Black, Fisher (1986). "Noise" The J. of Finance. 41 (3): 529 – 543.
2. Bennet E and Selvam M (2011). "Factors Influencing Retail Investors Attitude Towards Investing In Equity Stocks: A Study In Tamil Nadu, J. of Modern Accounting and Auditing. 7 (3) :316-321
3. Bennet E and Selvam M (2011). "Investors' perception towards the influence of SPERTEL risks on the value of equity shares. A Study conducted at Coimbatore City" International Journal of Research in Commerce and Management. 1 (2). :62-66
4. Chin W W (1995). "Partial Least Squares is to LISREL as Principal Components Analysis is to Common Factor Analysis". *Technology Studies*. 2 (2): 315-319.
5. Chin W W (1998). "The Partial Least Squares Approach for Structural Equation Modelling", in George A Marcoulides (Ed.). *Modern Methods for Business Research*, Lawrence Erlbaum Associates. 3: 448.
6. Chin W W and Newsted P R (1999). "Structural Equation Modeling Analysis with Small Samples Using Partial Least Squares" Rick Hoyle (Ed.). *Statistical Strategies for Small Sample Research*, Sage Publications, New Delhi. 14: 189–217.
7. Chin W W, Marcolin B L and Newsted P R (2003). "A Partial Least Squares Latent Variable Modeling Approach for Measuring Interaction Effects: Results from a Monte Carlo Simulation Study and an Electronic- Mail Emotion/Adoption Study". *Information Systems Research*: 307-340.
8. Cronbach L J (1951). "Coefficient Alpha and Internal Structure of Tests". *Psychometrika*. 16: 297-334.
9. Aswath Damodaran (1994). *Security Analysis for Investment and Corporate Finance (Study Guide for Damodaran on Valuation)*. John Wiley and Sons. New York.
10. Sachithanantham. V, Sayed Jafer, Raja. J and Suresh Kumar A (2007). " Investors Perception towards Capital Market Reforms in India". SMART J. of Business Management Studies. 3(1):39-45.
11. Shanmugam. K (1990). **A Study on Investors' Awareness of Investment**. Ph.D Thesis (Unpublished). Bharathiar University, India.

12. Warren William C. Robert. E. Stevens and C. William Meconky (1996). "Using Demographic and the Life Style Analysis to Segment Individual Investors". *Financial Analyst*. 20 :74-77.
13. David.R McLean and Mengxin Zhao (2010). *Investor Sentiment and Real Investment*. (Electronic copy available at: <http://ssrn.com/abstract=1475663>).
14. Matthew T Billett, Zhan Jiang and Lopo L Rego (2010). *Does Customer Sentiment Contribute to Investor Sentiment: Glamour Brands and Glamour Stocks?*. (Electronic copy available at: <http://ssrn.com/abstract=1571491>).
15. 1 Mohamed Zouaoui, Geneviève Nouyrigat, Francisca Beer (2010). *How does Investor Sentiment affect Stock Market Crises? Evidence from panel data*. (Electronic copy available at: <http://ssrn.com/abstract=1584566>).

TECHNOLOGY AND E-COMMERCE: A CASE OF IMPROVING ORGANIZATIONAL PERFORMANCE IN EBAY

By
Henrietta Okoro
University of Phoenix
Phoenix, Arizona, USA

Abstract

This paper explored the traditional and 21st century organizational performance with relationship to technology and e-Commerce and provided integrated plan for organizational effectiveness. The paper conducted an analysis of secondary data and business practices of e-Commerce industry operations and provided suggestions for improvements. The paper offers integration plan relating to strategy plan, communication, customer service, and operational domain categories. Internet capability enables more business globalization that increases instant access to suppliers and customers in other nations. Using the balanced scorecard helps organizations to improve their performance in the financial perspective, customer perspective, internal process perspective, and growth perspective. E-commerce platform such as EBay's organizational effectiveness, performance indicators, and the integration plan shows the importance of promoting business performance and market sustainability. The paper identified the key performance indicators that enable leaders and managers to monitor each activity while undergoing implementation of any of the perspectives. Finally, global businesses need to integrate efficiency and collaboration within the Internet ecosystem to expand their product offerings, services, and maintain their market base. This paper also contributes to the body of knowledge in the organizational management and technology discipline and to a value-added understanding of globalization and business effectiveness.

Keywords: Organizational Performance, Organizational Effectiveness, E-commerce, Integration Plan, Competitive Advantage, and Business Model

Introduction

Global e-commerce has been increasing rapidly since the mid-1990s. Industry estimates portrayed about several trillion dollars that exchange annually over the web. Business globalization is also increasing substantially, and Jupiter Research (2008) showed an estimate of about 1.8 billion Internet users worldwide in 2012. Prior traditional business and organizational product planning involved weeks of discussions, months of planning, and researching, and even more months of product-testing. The divisional department heads had to decide what areas to consider, testing priorities, and anticipate a good response. After that obtain the results and tweak the product and price before doing more testing or sending the product out for full distribution. The entire process usually ranges from 18- to 24-months from start to finish and could cost the company thousands of dollars and hundreds of man hours.

Organizational performance strategy in the 21st century requires more rigorous planning activities. Among these activities are meeting deadlines, market demands, and profits realizations. The start-to-finish times for products have shrunk considerably from 18- to 24-months to around three to six months, depending on the product. Market share is extremely beneficial to an organization, especially with so many other companies eager to penetrate a market and imitate a successful product. Delay in organizations' products could cost millions of dollars in revenue, cost of the research, development, and testing.

This paper explored the traditional and 21 century organizational performance with relationship to technology and e-Commerce and provided a recommendation for organizational effectiveness. The paper explored the integration and maximization of internal functions, contributions, and operations. Suggestions for integration in the categories of communication, customer service, coalition domain, and webpage design. E-commerce platform such as EBay's organizational effectiveness, performance indicators, and the integration plan shows the importance of promoting business performance and market sustainability. The method employed in this study adapted a few aspects of previous studies, predominantly on estimates on e-commerce growth, eBay's business operations, and the universal evolution in technology innovations.

Literature Review

Advent of E-commerce

As a company, eBay is an improved technique of doing business for auctioneers. As far back as 500 B.C., the Romans used a form of auctions to liquidate assets and estate property. The

first auction houses' was in the 18th Century with Sotheby's and Christie's in 1766. Fishermen and produce growers used auctions as an approach to selling their products and allowing customers to bid on them. Before e-commerce, sealed bids are commonly used methods for submitting bids at auctions. Buyers wrote bids on a piece of paper, sealed them, and submit to the seller or public outcry bidding (Marc, Krämer, Jähnig, Seifert, & Weinhardt, 2011).

With the advent of e-commerce, participants have discovered a new method of interacting with existing and potential customers. Local females-and-pop stores that traditionally serve the local neighborhood can branch out to serve other cities, states, and countries through the Internet. Similarly, online auctioneers do not need to hire auctioneers rather they can open a website and establish an account to attract customers. EBay has become a business place for millions of people, but just being online is not enough for organizations. As eBay continued to grow and evolve organizations' need to improve on business transaction and payment terms between vendors and buyers. The need to improve organizational effectiveness necessitates inter-organizational relationships and integration plans.

Functions and Inter-organizational Relationships

Most e-commerce platform such as eBay started as a portal for people to sell their unused items for a little cash. That concept has evolved tremendously and eBay is one of the busiest online business operation entities. eBay extends seller or buyer population from individuals to online business owners by allowing people to start their own stores in eBay. With the founder's belief that people are good, most of the eBay transactions go exceptionally smooth. Behind such smooth transactions lies the hard work of eBay employees who made transaction functions operate as smooth as they do.

For eBay, expanding market base was a success by involving sellers and buyers from various locations. People have things they do not need and things they need. By bringing these people together, eBay provided a place where ordinary people can do business. One of the most vital functions that eBay provides is the identification of the seller or buyer. The user of the eBay's website has to register and go through data validation. This validation could relate to bank, credit card, and address verification. Such multi-level authentication allows eBay's to assure users that they can conduct business without having to worry about the initial

trustworthiness of other users. eBay's website includes a Trust and Security tutorial for new users.

Another essential role eBay has added is the availability of various services. eBay's PayPal Company payment processing site allows users to pay and receive payments in a secure environment. Traditional credit card transaction service is extremely expensive. For a small business user, having a traditional credit card service is more expensive and requires locking in to a long-term contract. By providing a payment processing site that works just as easy and as secure as credit card service, PayPal has become one of the fastest growing methods of payment. PayPal also offers the money market interest payment for higher volume users. These users will make about 4% annual interest payment profit on their PayPal balance. The interest option provides an added incentive to use the PayPal service. Other sites such as Half.com (an auction site), Skype (an online communication service), and Shopping.com (a product search site) adds conveniences and functionalities to eBay users.

A customer service benefit that eBay incorporated is the dispute resolution system. Historically, some buyers have not been happy with the quality of goods purchased. Similarly, some sellers have been unhappy with buyers not making payment. eBay acts as the mediator between disputing sellers and buyers to establish agreeable resolution between two parties. eBay as the mediator uses Square Trade to resolve any misunderstandings fairly. They provide a neutral ground between sellers and buyers to reduce the likelihood of premature negative feedback and engender confidence in the eBay's community (eBay website, 2013). The expedited and concierge services assure users that their resolutions shall be resolved in favor of both parties.

Organizational Performance using Balance Scorecard

Organizational performance relates to the output of an organization as measured against the intended goals. Organizations can manage their performance using a balanced scorecard (BSC) methodology where performance measurement uses different factors such as revenue, customer service, and employee job satisfaction (Kaplan & Norton, 1992). This paper featured the four perspectives of BSC that relates to eBay organizational performance, which include financial perspective, customer perspective, internal process perspective, and growth perspective.

BSC Financial Perspective

The Financial perspective verifies that organizational strategy and implementation improve the organization. EBay's response to the financial perspective has been rewarding with the rate of the company's growth and acquisition of other companies such as Skype and PayPal. Financial perspectives enable long-term strategic goals with tangible returns. Kaplan and Norton (1996) described the three stages of financial perspective as rapid growth, sustain, and harvest. EBay's financial goals have measured growth stage to include sales increase, market diversification through acquisition of new companies, and growth in revenues. EBay's practice of the sustain stage shows that the market has been growing consistently. The growth involves continual upgrades on the website for better performance and cost reduction through networking and virtual communication. EBay's harvesting stage comprise of cash flow analysis measured with the capital investment, and payback periods.

BSC Customer Perspective

The Customer perspective helps to predict the measures that organizations can implement to satisfy customers and increase sales. EBay's customers can be any Internet user with the intention to buy or sell items. EBay focus is on creating an easy to use website that enables users to perform transactions with ease. Values are added to the customers' position such as timely response, varieties of products to choose from, quality products, and prompt customer service. Kaplan and Norton (1996) stated that customer satisfaction requires three factors such as performance excellence, customer intimacy, and competitive advantage.

BSC Internal Process Perspective

The Internal process perspective helps to structure different processes within the environment that will improve the quality of products and services. EBay has internal process in place that focus on the daily functions and transactions within the environment. EBay also have innovative process that fastens the supply chain management, customer service management, and exploration of business innovations.

BSC Growth Perspective

The growth perspective helps build the required skills that will sustain the business during rapid challenges within the environment. Kaplan and Norton (1996) explained that building infrastructure helps to improve ambitious objectives, which have three factors such as human resources management, information literacy, and organizational objectives. EBay has a strategy that maintains human resources, information literacy, and organizational objectives.

Growth perspective requires certain cost that may affect short-term financial goals, which makes the strategy a long-term effect.

Organizational Effectiveness

Organizational effectiveness is an abstract notion of how an organization achieves the set outcomes (Hesselbein, Goldsmith, & Beckhard, 1997). An organization's effectiveness is contingent upon the organization's communicative competence and ethics (Scott & Davis, 2007). Ethics is a foundation found within organizational effectiveness. An organization must subscribe to respect, honesty, integrity, and equity to allow communicative adequacy with the participating members. Along with ethics and communicative competence, members in a group can achieve their intended goals (Bolman & Deal, 2003).

Hesselbein, Goldsmith, and Beckhard (1997) suggest that the only setback of organizational effectiveness has been the ability to recognize a needed paradigm shift from the financial and operations culture to a more service-driven oriented-culture. However, the only way this significant turnaround would transpire is with an empowered workforce with decentralized decision making process. In essence, this would mean that the organizational pyramid is turned upside down and empowers the customer to make decisions. This process successfully works for eBay because thousands of eBay associates who are the closest to the customers make the necessary decisions that drive the daily activities. Associates have to be allowed to make decisions that affect the customer and service to the customer without having to seek managers' approval first.

eBay's paradigm shift has changed the business process in the 21st century. The results of this shift is because eBay's leadership willing to delegate the day-to-day operations and decision-making process to mid-level managers. They provide the organization with a versatile workforce at appropriate levels with access to real-time data for making decisions. eBay's leadership understands the key to effective communication is information and strives not to have their associates have information overload; a common mistake that most American corporations have made in the past (Hesselbein, 1997). "Too many associates have information overload, buried by analysis and levels of detail that were important to a few, interesting to some, and needless to most." (1997 p. 135)

eBay's success story has been possible because of the organizations' ability to leverage technology within the corporation. Leverage technology enables appropriate communications within the business environment. Additionally, eBay's future indicates an organization with more sophisticated tools that will reduce the risk of making online transactions (Hesselbein, 1997). Organizational alignment is the ability to articulate or translate the intended goals pursuant to the effectiveness of strategic execution. The corporation's board is responsible for translating and crafting the business strategies into tangible results in today's dynamic and hyper-competitive marketplace.

Far too often organizations of this era spend a significant amount of energy in bureaucratic frictions. However, to reduce this friction, an organization needs to align the three significant components: leadership, business strategy, and organizational culture. Additionally, alignment requires a decision making and implementing actions. Better alignment will be achievable if the strategy is clearly laid out (Jones, 2004). Further, monitoring is also required in order to maintain alignment.

The second aspect for an organization to be more effective is improving the organizational capacity. Global organizations spend a significant time on leadership and management competence development. However, the main objective behind investments of this nature is that leadership is an individual skill. Some theorists believe that leaders are born with the leadership trait while others, on the other hand, believe the opposite is true. Leadership is a skill that can be acquired through training and development (Jones, 2004).

eBay's leadership strongly believes that in order for their organization to be effective, they need to strengthen leadership competencies through various organizational leadership programs specifically, custom designed for their organization. The programs in place define an array of key components of organizational leadership effectiveness, grouped into three leadership processes that consistently distinguish financially successful organizations. In addition, it lays out the sequence, timing, and questions that guide the thinking of effective leaders.

The final element of organizational effectiveness practiced by eBay is engagement that entails the collaboration between employers and employees (Jones, 2004). Historically, no small or large company has been successful without an energized workforce. The workforce considers the mission and understanding of how to achieve the desired set goals. Therefore, Jones suggests the significance of measuring through survey, the degree of employee engagement at least once a

year. The survey will be anonymous to enable participants' confidentiality and free of information sharing without fear of reprimand.

Integration Plan

For e-commerce business platform to maintain business sustainability and increase profits, paradigm shifts is necessary. Organizations cannot be afraid to be innovative. The notion of "if it is not broke, do not fix it" does not apply any longer, rather organizations can adopt constant change and revelation of emerging technologies. At the same time, organizations need to demonstrate stability. Without stability, organizations will forfeit the loyalty of their customers, suppliers, advertisers, and so forth. According to Friesen and Johnson (1995), financial and economic constraints contribute to the stability of an organization. Economic and financial constraints perpetuate stability in the financial goals of a corporate strategy (Friesen and Johnson, 1995). Stability is in everybody's interest, from the stakeholders, managers, employees, down to the eBay customers. Management provides stability by aligning their corporate goals and strategy with the environment inherent to Internet dependent organizations.

Another way eBay can promote stability is to develop and report expectations about the future of financial goals and their business strategy. EBay Internet site users would not be loyal or continue using eBay if there were any indication of instability or impending doom. Building effective integration requires strategy, communication, customer services, and operational domain to enhance the experience of customers, clients, and vendors.

Strategy

Organizations need a strategy that integrates online activities within the company's established business operations. Business strategies can be a short-term or long-term and gear toward a company's success in leveraging digital age technologies. Often, operating a website that supports customer ordering and payment online are a transactional website. This strategy becomes the first step toward transforming a company into a total click-and-brick operation (Khairul & Ahmad, 2005). In addition, virtual interface need to ensure that the customer's encounter is satisfactory (Eid & Trueman, 2004). The ability for a company to benefit from emergence technology depends on the choices made by their targeted customers (Benbunan-Fich, 2001). Managers need to integrate theories of consumer behavior and knowledge to the

contexts of customer technology. This strategy helps to design an effective human-computer interface within the adopted technology domain.

Communications

Effective communications are essential for any business to be successful. E-Bay has set up excellent services for members to communicate by using blog sites, bulletin boards, and other avenues for members to talk to each other. E-Bay also has provided news and event links for communication from staff to members. To enhance the communication experience, a link or bulletin board set up for conversations between members and eBay employees would provide a bridge for users to contact staff. Users find it difficult to find a path to communicate directly with an eBay employee.

Communication between users is remarkable, but a link to make suggestions to the staff would allow two-way communication instead of eBay's present broadcast method. Both eBay, and the customer would benefit from effective communication. E-Bay focusing on customers' needs would result to customers' feedback and identification of areas of improvement. Integration would be highly effective as it will only require a link to a suggestion box or -email address.

Customer Service

Customer service refers to the act of providing people with a helpful and positive experience during business interactions. Many businesses spend more time in getting feedback and training their employees for efficient customer service. The result of efficient customer service contributes to clients being loyal. According to Matejko (1986), "a low level of social solidarity and unrestricted freedom for individuals become major problems of the developed democratic societies." The struggle of various interest groups is self-centered and does not provide an adequate basis for problem solving. E-Bay has provided business rules that regulate the customer service issues. E-Bay needs to be aware of issue in a society that may have an impact on what their customers may try to buy or sell. This activity awareness is not an easy task but could reflect as part of the inventory on the social and industry environment.

Operational Domain

According with Miner (2002) the larger the organization, the larger the coalition dominant. Within eBay, the coalition domain is extremely strong and helps to grow

exponentially because the organization belongs to the customers of eBay's website. The website members control the financial situation of eBay in that the total sales determine the profit. E-Bay provides a service by maintaining a website for bringing sellers and buyers together. In essence, eBay regulates the website to ensure policy compliance a. The activities on the website are ethical and represent eBay's core values and attitudes. According to Friesen and Johnson (1985), "The quality and strategy connection business process should be the one to be measured and improved." Focusing on the quality and strategy connection would allow eBay to make significant progress toward the overall goal of increasing customer satisfaction (Dellarocas, 2005).

Traditional vs. 21st Century Business Model

eBays' success and performance excellence are similar to Amazon and Yahoo as stated by Javalgi, Todd, and Scherer, (2005). Analyzing eBay, Amazon, and Yahoo show e-commerce business integration and creation of large independent firms. The business integration successfully survived after passing through different stages in e-commerce and market globalization (Javalgi et al., 2005; Huang, et. al., 2003). According to Javalgi et al. (2005), an Internet access survey report in 1997 showed more than 500,000 registered domain names given to companies worldwide with more than 75 million businesses in Asia, Europe, and the United States (Schrader, 1997). Schrader predicts that future growth in Internet connectivity will grow to more than 24 million users in response to the high demand. The collapse of some dot.com business amounted to the inability to handle the volume of the market growth. Hence, the need for eBay to continue to creating strategies that will enable business sustainability, stability, stress, and performance excellence.

In the Internet system, many overnight business successes sustained incomparable losses in history (Javalgi et. al., 2005). The failure was as a result of low market penetration into Internet environment, inefficient business model, inability to access the market value, and lack of leadership skills of the dot.com management teams (Mahajan, Srinivasan, Wind, 2002).

E-Commerce and the Future

The growth of e-commerce depends on the emergence of new technologies, Internet service providers, and Web hosting providers. This technology is growing, especially in developed countries such as USA, Canada, and Europe. Service providers offer a selection of

enabling technologies and services such as network management and online payment systems. They also ensure the e-commerce security, reliability, and affordability. The peak growth in e-commerce is anticipated in countries like China, Russia Brazil, and India. According to Internet World Stats (2008) North America only accounts for 17.5% of e-commerce users. Asia has the largest number of e-commerce, accounting for nearly 37% of the global online population, followed by Europe with 27% (Internet World Stats, 2008). The universal evolution in Internet routines is evident that e-commerce is a global phenomenon that has originated an enormous business revolution. This business revolution affects the process of globalization tremendously (Hadi, Singh, & Seung, 2010).

Limitations

The paper explored the traditional and 21st century organizational performance with relationship to technology and e-Commerce using eBay organization. Generalization is limited as the paper did not conduct an extensive comparative analysis on more sectors within the e-Commerce domain. Further research can be done to include comparative analysis of other e-Commerce organizations.

Conclusion

This paper explored the traditional and 21 century organizational performance with relationship to technology and e-Commerce. Sustaining higher organizational performance requires integration of internal functions, contributions, and operations. Suggestions for integration in the categories of strategy, communication, customer service, and operational domain were emphasized. The integration plan helps to promote business performance and market sustainability. Internet capability enables more market globalization that increases immediate access to suppliers and customers in other nations. Using the balanced scorecard helps organizations to improve performance in different perspectives such as financial, customers, internal process, and growth. The paper revealed the key performance indicators that help leaders and managers monitor each process while undergoing implementation of any of the BSC perspectives. Finally, global businesses need to incorporate efficiency and collaboration within the Internet ecosystem to broaden product offerings, services, and market base.

References

- Benbunan-Fich, R. (2001), "Using protocol analysis to evaluate the usability of a commercial web site", *Information & Management*, 39(2), 151-63.
- Bolman, L. G. & Deal, T. E. (2003). *Reframing Organizations: Artistry, Choice, and Leadership*. (3ed.). Jossey-Bass: John Willey & Sons
- Daniel, M. W., Mukulu, E., & Anthony, G. W. (2012). ICT attributes as determinants of E-commerce adoption by formal small enterprises in urban kenya. *International Journal of Business and Social Science*, 3(23), n/a. Retrieved from <http://search.proquest.com/docview/1282393351?accountid=144789>
- Dellarocas, C. (2005, Jun). Reputation Mechanism Design in Online Trading Environments with Pure Moral Hazard. *Information Systems Research*, 16(2), 209-232.
- EBay website (2013). Retrieved from www.ebay.com.
- Eid, R. and Trueman, M. (2004), "Factors affecting the success of business-to-business international internet marketing (B-to-B IIM): an empirical study of UK companies", *Industrial Management & Data Systems*, 104(1), 16-30.
- Friesen, M.E. and Johnson, J.A., (1995). *The Success Paradigm: Creating Organization Effectiveness through Quality and Strategy*. Westport, CT: Quorum Books.
- Hadi, S. A., Singh, N., & Seung, H. K. (2010). E-commerce on the global platform: Strategic insights on the localization-standardization perspective. *Journal of Electronic Commerce Research*, 11(1), 6-13. Retrieved from <http://search.proquest.com/docview/236639371?accountid=144789>
- Hesselbein, F., Goldsmith, M., & Beckhard, R.(Ed). (1997). *The organization of the future*: Jossey-Bass, NY
- Huang, H., Keser, C., Leland, J. & Shachat, J. (2003). Trust, the Internet, and the Digital Divide. *IBM Systems Journal*, 42(3), 507-518.
- Internet World Stats (2008). World Internet Users and Population Stats. Retrieved from <http://www.internetworldstats.com/stats.htm>.
- Javalgi, R. G., Todd, P.R. & Scherer, R. F. (2005). The dynamics of global e-commerce: an organizational ecology perspective. *International Marketing Review*, 22(4), 420-436.
- Jones, G. R. (2004). *Organizational Theory, Design, and Change*. (4ed.) Upper Saddle River, NJ; Prentice Hall

- Jupiter Research (2008). Jupiterresearch.com, Retrieved from <http://www.jupiterresearch.com/bin/item.pl/home>.
- Kaplan, R. S. & Norton, D. P. (1992, Feb). The balanced scorecard: measures that drive performance. *Harvard Business Review*, 71-80.
- Khairul, A. A., & Ahmad, M. (2005). Adoption of web site and e-commerce technology among malaysian public companies. *Industrial Management + Data Systems*, 105(9), 1172-1187. Retrieved from <http://search.proquest.com/docview/234907246?accountid=144789>
- Mahajan, V., Srinivasan, R. & Wind, J. (2002). The dot.com retail failures of 2000: Were there winners? *Journal of the Academy of Marketing Science*, 30(4), 474-86.
- Marc, T. P. A., Jan Krämer, Caroline Jähnig, Seifert, S., & Weinhardt, C. (2011). Understanding auction fever: A framework for emotional bidding. *Electronic Markets*, 21(3), 197-207. doi: <http://dx.doi.org/10.1007/s12525-011-0068-9>
- Matejko, A. J., (1986). *In Search of New Organizational Paradigms*. New York: Praeger Publishers.
- Miner, J. B., (2002). *Organizational Behavior: Foundations, Theories, and Analyses*. New York: Oxford University Press.
- Schrader, W.L. (1997). Why the internet crash will never happen. *Telecommunication*, 31(1), 25-6.
- Scott, W. R. & Davis, G. F. (2007). *Organizations and Organizing: Rational, Natural, and Open Systems Perspectives*. Upper Saddle River, NJ; Prentice Hall

MARKETING STRATEGIES APPROPRIATE FOR JAPANESE MARKET

By
Alexander C. Onukwugha, PhD
BTC Technologies
Ellicott City, Maryland, USA

The primary focus of this article is marketing strategies used by multinational firms in Japanese markets.

It was Kumarasinghe and Hoshino (2008) who said that the choice of entry mode into a foreign market is one of the most important decisions that would be made by a multinational corporation to ensure its successful outing. In most cases the MNC may decide to embark on global outreach or settle for a domestic market. In closed markets like the Japanese markets with high tariffs for imported goods, MNCs most times embark on local production or form joint ventures with local partners the authors said. The above statement constitutes the primary objective of this article which is to understand how multinational companies can be successful in marketing products in the Japanese business environment. The targeted audiences of the article are leaders of multinational firms and international business people. Literature reviews or secondary data constitute the main source of data.

Jung, Kwon, Wang, Kaizoji, Moon and Stanley (2008) are of the view that economic growth of firms and consumer welfare depend on robust competitive market, and that well-informed competition policy is needed to achieve robust markets. The authors said that although Japanese market is not an emerging market, it has a strong link with the Asian emerging markets. The domestic economy is considerably driven by the government directed investment model and protective trade policies. Also, in Japan a large segment of Japanese market has witnessed a great deal of integration into the global economy especially Asian economy. With the globalization of trade activities, the spread of multinational corporations has become very fast and complex. Japanese foreign direct investment and MNC activities have spread all over the globe attracting much attention from business researchers and academic scholars. Pucik and Ito (1987) said that Japanese firms need to embark on extensive research and development in order to sustain a rapid economic and technological development. The authors are of the view that Japanese multinationals acquired technological innovation from overseas companies. However, over the years, the Japanese firms have reached the peak of technological sophistication, sometimes

successfully out competing original inventors. But because there are little room for technological imports from overseas companies, Japanese MNCs are relying less on licensing from overseas and more on their internal research efforts. After all, the author said that the export sales of a firm are also affected by its domestic competitive position

But Czinkota and Kotabe (1999) noted that over the year's MNCs trying to enter Japanese markets and economy had encountered a great deal of impediments. One of those impediments, the authors noted has been a unique Japanese business practice known as *keiretsu*, a term that describes a set of interlocking relationships among Japanese suppliers and manufacturers that do business with one another on a regular and intimate basis. The keiretsu business practice in Japan enables Japanese firms to effectively isolate foreign based firms and multinational companies.

Czinkota and Kotabe recommended that multinational corporations should restructure their market entry strategies in order to penetrate and expand in the keiretsu Japanese market.

One of the strategies they recommended would require MNCs to become more Japanese in orientation and location. This, they said would enable them to compete the Japanese way by *bypassing* border barriers, heighten quality concerns and strengthen information systems to respond swiftly to the ever changing needs of demanding Japanese consumers. In business circles this would involve re - orientation of trade negotiations and involve a change in policy that would make their products more domestic. Such an approach would clearly and publicly recognize that increased global competitiveness starts at home. It would also recognize that in addition to mere trading, there are a lot of other viable approaches to global competitiveness such as foreign direct investment, licensing, or franchising. These other approaches, the authors said are usually more effective if intellectual property rights can be protected. More so when the new government perspective of global positioning is laying more emphasis on enhancing strategic competence and capabilities of domestic firms, rather than pressuring upon foreign markets through politics. An illustration of the above fact was shown with the case of US wood exports to Japan where the US government negotiated with Japanese government for over a decade to have more market access. Building codes were revised; product certification was delegated from the Japanese government to foreign exporting organizations. Tariffs were slashed downwards; the Foreign Agricultural Service spent \$18 million to promote US wood sales to Japan. All those

measures achieved little success because the US government was merely seeking Japanese buyer's agreement to buy US products. The efforts did not include steps geared towards ensuring a review of US products to meet the needs of Japanese consumers. Japanese builders for example prefer post and beam construction, which requires lumber that is 4 inches by 4 inches and modules that are 3 feet by 6 feet to match the standard tatami floor mats. But as soon as US producers changed their strategy and begin to meet those Japanese needs, like the Canadians did a lot of progress was recorded. It was eventually discovered that other reasons that accounted for the low initial outcome of the US exporters efforts is that they entered the market with little enthusiasm and commitment and as such paid little attention to product quality and appearance and did not render after sales service. A good indication of this is the fact that few US exporters translated their product information into Japanese language.

The authors also recommended a kind of traditional trade negotiation, the one that would help reduce bureaucratic impediments directly controlled by the government. But in doing this the US MNCs were advised to focus on issues which have only marginal importance to their overall business success in Japan.

Another strategy recommended by the authors and which has paid off for some MNCs is to introduce many strategies of overcoming the keiretsu distribution system which has been a source of impediments to free entry into the distribution sector. Among the strategies the authors recommended that could help overcome this barrier are as follows:

(a)The introduction of catalog mailing which has worked for a couple of companies like American International Group and L. L. Bean Inc.

(b)The opening up of retail branches that would make it easy for the foreign MNCs to easily adapt local consumers' needs including price expectations and competitor's activities into their products. Morgan Stanley Dean Witter & Co did this successfully.

(c)They also recommended mail-order and non-store retailing which would enable the companies to conduct business in a virtual market space" rather than the traditional "market place.

(d) The global emergence of electronic commerce offers alternatives that readily bypass many of these impediments. Obviously US MNCs are better positioned than their Japanese counterparts and others in the information technology and online methods. It is speculated that corporate

survival in the next century is likely to be predicated on the successful application of digital marketing.

Other measures that are suggested are the adoption of key seasoned business practices that would make market penetration possible. Such practices would include carrying out a thorough market research which would among other things, help adapt the MNCs products to local needs, enable them to be more service oriented, enter into collaborative ventures, have long term orientation, and be more responsive to changes in the market. Also, it is important for the MNCs to develop an Export Complaint Management (ECM) system that is highly responsive to the special needs of the Japanese local market needs. The (ECM) is important because it shows the customers where to complain to, whom to complain to, when to complain and encourages them to complain. Essentially ECM would receive complaints, resolves them quickly after a thorough analysis. This will enable the corporations to recognize areas of weakness and strengths and hence plot for future success of their respective corporations.

Czinkota and Kotabe said that although, some commentators attribute most of the structural changes that has occurred in Japanese economy to the aftermath of Japans post war recession and financial crises of the 80s, experts believe that foreign firms would improve their foothold in the Japanese mainly through direct investment, rather than exports. If being physically present would be seen as a sign of reliability, long term outlook and corporate commitment of the MNC, then an export-only strategy may not be the way out. The implication of all these therefore is that seasoned business strategy, not government interventions actually played a positive role in the successful penetration of Japanese market. That does not necessarily mean that the Japanese government has no role at all to make in sensitizing their domestic market. For example the massive expansion of television, mail order retailing and electronic commerce could offer significant opportunities for importers to go straight to the consumers.

Overall, the authors identified the main impediments to MNCs operations in Japan to include among others as follows:

- (a) The Japanese business practices known as keiretsu a term that describes a set of interlocking distribution method that tends to discriminate against MNCs.
- (b) Japanese consumers' very high quality and standards expectation

- (c) Japanese governments' bureaucratic and red tape practices.
- (d) And that country's inadequate import infrastructure, and delays in processing patent, trademark and other intellectual property rights. The authors said there have been positive improvements in those areas although the improvement has been more on the industrial side where there have been advancements in the electronic data interchange and point of sales systems. Not much change has occurred on the consumer side of it. Unfortunately, many restrictions and regulations of technology and industries that is still going on could inhibit importers from providing consumers from global choice.

Competitive nature of Japanese firms

Pucik and Ito (1987) also cited the ability of Japanese manufacturing firms to capitalize on their strength in the domestic market as the foundation of their international competitive strategies. The fact that they achieve economies of scale, a high quality improvement and tremendous cost reduction at the domestic market enabled these Japanese firms to penetrate foreign markets with a large volume of low cost but high quality standardized products. The authors said that the international competitiveness of a firm can be demonstrated in the amount of its export activities. In the marketing context, an increase in competitiveness leads to an increase in exports. A rigorous knowledge of factors influencing exports would lead to a better understanding of factors influencing international trade and competitiveness. Usually such analysis focuses on macro economic variables, such as factor endowment and their relative prices, exchange rates and trade policies. The authors proposed that the measurements of export performance could be equated to the amount of R&D expenditures

Economical, political, technological, social and cultural environment in Japan

Rapp (1992) said that large Japanese multinationals, producing manufactured goods are the source of much of the political friction, Japan has with other countries. The author said that their continued successful claim on global markets and resources would from time to time be a potential source of continuing political economic friction. Japan's global economic relevance is mainly due to the success of its major multinationals as well as that country's ability to bail out other needy nations. Still Japanese firms need access to world markets— especially US and European markets to grow and prosper, particularly in higher value-added products. It is therefore important to understand these MNCs strategic behavior and to accurately predict some of the logical competitive and political economic consequences of the status quo. Rapp said that

products were first imported from advanced countries often called innovators suggesting a products origin. These imports were usually from UK and Europe before World War 11 and from US afterward. A domestic demand developed and the government of Japan protected and assisted the domestic industry to grow. (Import substitution policy). Eventually the industry became more efficient and competitive and began to export. Japan was aided in this growth because at this time US and UK were moving into technically more advanced industries and products for which their economies had demand, had the factors to produce, and which justified the higher wages their workers expected.

Product modifications

One important perspective of global marketing strategy Zou and Cavusgil said is the integration process which tries to look at how a firm's competitive battles are planned and executed across various countries' markets. A global company's markets operations are interdependent in different countries, and a firm must be able to subsidize operations in some markets with resources generated in others and respond to competitive attacks in one market by counterattacking in others. The essence therefore is to integrate the firm's competitive moves across the major markets using its products offering.

But Piercy and Morgan (!998) said that one of the highlights of effective strategic marketing plan is the adoption of market segmentation which is essentially division of markets in a variety of ways, usually into homogeneous groups of buyers, or into differentiated targets for marketing strategies and programs. The author said that market planning itself is a logical sequence of steps that helps firms to set and achieve strategic objectives for selected segments. It involves the formulation of appropriate sales and marketing activities that usually leads to achievement of a laid down objective. One important criterion for determining which market to target is the existence of sales potential, since the existence of sales potential would naturally translate to profitability of the product both at the short and long term. Arnold (2004) said, that the decision by an international firm, on whether to pursue a policy of global branding or to brand for a specific market is a very crucial decision. According to the author the recent convergent of culture and consumer taste around the world has made global branding most appealing to most firms. Among the advantages to be reaped from a global branding or global positioning Arnold said includes the gains of economies of scale, organizational benefits from global brand management and convergence of marketing systems. He said that one major

impediment of global branding is the fact that there still exist, s strong resilience of local variations in tastes and differences in cultural distant. But Mahajan and Banga (2006) stated that in view of the fact that global brands have often been humbled by small, local rivals in fragmented, developing markets, there is need for firms to strike a strategic balance between global and local brands in order to achieve targeted markets objectives. The authors stressed that, given the complexities of branding for developing markets; firms need to leverage their local and global brands in order to create opportunities for market gains. The authors recommended the under mentioned strategies of arriving at utmost branding effectiveness.

- (a) Companies are known to have made their global brand, local, thereby adapting their already existing global brand with local symbols and local languages.
- (b) Using a local brand to establish a first market presence before unleashing the global brand and positioning.
- (c) Recognition of the fact that brands may mean different things to different people thereby adding value to a brand to alter it for global positioning and
- (d) By addressing the liabilities of local brands thereby substituting those liabilities with local strength and making a difference.

Conclusion

In conclusion therefore MNC s would record greater success if they learn that seasoned business strategy, not government interventions actually will play positive role in the successful penetration of Japanese market and any other market for that matter.

References

- Arnold, D. (2004). *The Mirage of global markets: How globalizing companies can succeed as market localize*. (1st ed). Upper Saddle River , New Jersey Prentice Hall (Pearson)
- Czinkota, M. R., & Kotabe, M.(1999). Bypassing barriers to marketing in Japan *Marketing Management*, 8(4), 1-11
- Jung, W., Kwon, O., Wang, F., Kaizoji, T., Moon, H. & Stanley, H. E. (2008) Group dynamics of the Japanese market *Division of social Sciences*. 38(7), 537-542.
- Kumarasinghe, S. & Hoshino, Y. (2008) Entry mode strategies and performance of Japanese MNCs in Australia and New Zealand: the role of Japanese employees. *University of Otago, New Zealand Press*
- Piercy, N. F. & Morgan, N. A. (1998).Strategic and operational market segmentation: a managerial analysis. *Journal of Strategic Marketing* 1(2), 123-140.
- Pucik, V. & Ito, K. (1987) R&D spending, domestic competition, and export performance of Japanese Manufacturing firms. *Research Division of University of Michigan* 5(30), 1-14.
- Rapp, W. V. (1992). Japanese multinationals: An evolutionary theory and some global political implications for the 1990's *Centre on Japanese Economy and Business*. 61(5), 1-13
- Westney, D. E. (1998) internal and external linkages in the MNC: The case of R&D subsidiaries in Japan. *Journal of Global Marketing*, 8(2),1-3.
- Zou, S. & Cavusgil, S. T.(2002) The GMS: A broad conceptualization of global marketing strategy and its effect on firm performance. *Journal of Marketing*.66(4),

CUSTOMER RELATIONSHIP MANAGEMENT

By

**Devadatta Ranade
Pemraj Sarda College
Maharashtra, India**

Abstract

This research paper clearly defines the shift of CRM (Customer Relationship Management) from domestic level to global level. The use of CRM enhances customers and Organizational relationship .It further strengthens understanding capability of the Organization with employers and customers.

The main epitome of CRM is to identify all the prospects, the customers and collect their information for the decision-making. The S W O T analysis defines incorporation of leadership activity for running their organization growth on global level.

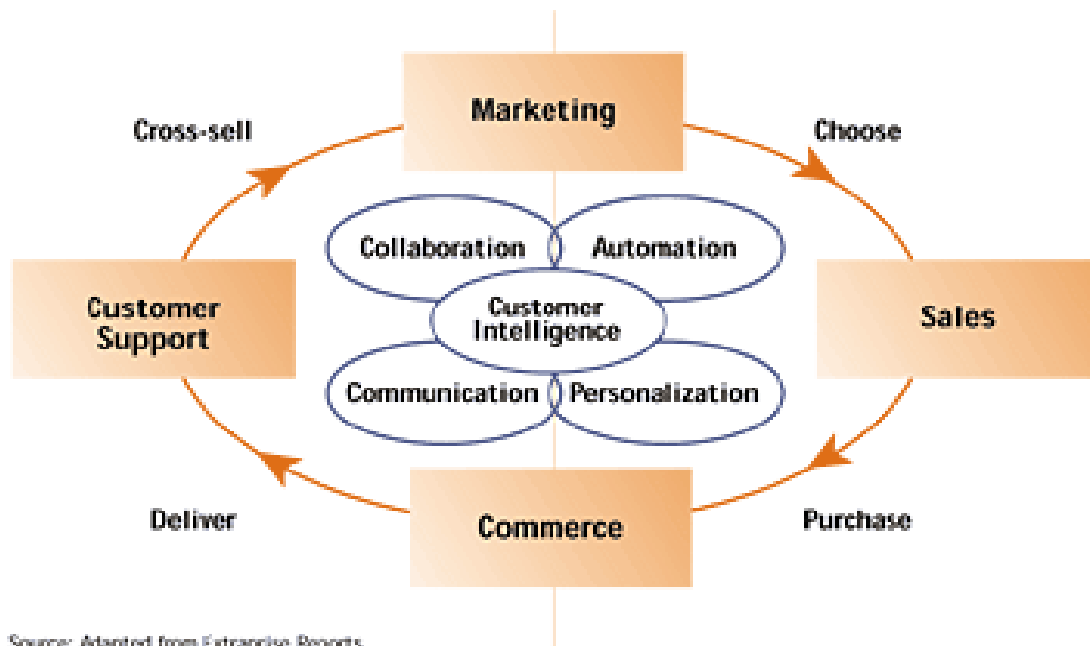
Along with the technologies of C R M, it is important to keep human interface in implementing the system for global scenario. The advanced system and the data will help in identifying the customer according to class, income, gender, likings etc, but human interface will enable the organization to convert the prospects into customers. This paper aims in adding human interface with technology of C R M.

Introduction

CRM (Customer Relationship Management) plays a significant role for a planned position of any organization. It focuses on integration of consumers' data, extensive knowledge for keeping and finding customer to enhance their lifetime principles. Initially when this system had enunciated in the organization, it played a significant role at domestic level. To enhance stability on the local level, the managers learned many things relates in customer relationship management. "The relationship between the customers and the organization can make strong policies because the organization knows about everything of their customer" (Greenberg, 2002).

The following graphical presentation will demonstrate the entire coverage of the concept.

Customer Interaction + Customer Intelligence = Customer Relationship Management



Source: Adapted from Extraprise Reports

Organization also knows- At what point their customer will be satisfied or dissatisfied? This is mandatory in terms of any business to make a stronger connection between organization and customers.

CRM activity helps any organization to enhance connections on domestic as well as international level. The shift of Customer Relationship Management on a domestic level to the global level left aside a positive approach for every business leaders. Leaders can sustain on the global level by using CRM. Through this process, they get extensive confidence about solving customers' problems .Key principles through which the customer can get satisfaction. Customers can enhance the connection with the organization on domestic or global position identified through CRM.

Discussion

Primary Objective

The primary objective of this research is to analyze the impact of leadership, culture, technology, marketing and financial risk management on global CRM and their positive approaches. The process of CRM (Customer Relationship Management) has used extensively to understand customers attachment with an organization directly or indirectly and customers' responses about the organization is important in developing CRM. This method allocates an

organization to manage and collect numerous amounts of customers' information for designing different effective strategies by using customers' data. This technique will help the organization to solve customer's queries about any issues related to them. This data also provide organization innovative approaching in to consumer's behaviors and needs allocating them to modify their customers by providing them different products (Anton & Petouhoff, 1996).

Along with gathering the data and information, adding Human Interface to CRM technology will be effective to the new dimension of the technology.

Data collected by using the CRM process will originates solution and it enhances the marketing strategies related to the customers. This process improves the impact of leadership, different cultures and various technologies positively and enhances the customer satisfaction with the organization. This CRM on the global level needs strong strategies, which can be effectual for the customer's and the organization. Working on a global level the customer relationship management has to be strong in communication with their customers and marketing strategies and financial risk management.

To communicate their customers on a leadership level is not an easy task, so the organization has to take certain measures steps for reducing the lacking in financial risk.

Target Audience

For any Customer Relationship Management multiple people take part in it, and through all these efforts the CRM would provide affluent services to their customers on globally and domestic level. The people who have involved in this process are- **A) HR Managers**-The HR department will help the company to keep and maintain records of all the customers directly or indirectly attached with the firm. **B) Local Business Leaders**- Through the CRM, Local business leaders can connect to their customers and help them by providing every facility that require to access. **C) Business Practitioners**-Through CRM, Business practitioners can provide affluent methods and techniques to the customers, to make them accessible all the possible facilities that can help them to stay in touch with their organization.

The concept of CRM can effectual for organizations focusing on global marketing management.

These organizations can use CRM in their learning or practices and implement all the positive approaches to obtain affluent knowledge about the customers and their relationship with the organization (Kobayashi-Hillary & Sykes, 2007).

Shift of CRM from Domestic to Global Level

The shift of CRM process from domestic level to global level is not easy; it requires more practices and learning which can make effectual to the organization to deal with the global level customers. In domestic situations, it can handle all the problems or turmoil situation by using various methods. When business is global with worldwide customers, it requires multiple things for worldwide level among different competitors.

They require - (Bull, 2003).

- More practices
- Strong communication
- Leadership capability
- Strong decision making
- Ready to solve all the customers' problem
- Have extensive knowledge how to utilize the customer's information at a right time.

These are fundamental requirements mandatory for the domestic shift to the global shift of CRM process.

Management of Information Systems

It should be the fundamental responsibility of any organization to safeguard their customers' information and do their best not to disclose any data of their customers.

When the customers connect with any organization according to CRM process, they have to share all their data including, personal, business, bank- process and properties data with that organization. These are all the significant information of the customer, which requires more safety.

The organization has to take certain measures for keeping these credentials records secret and is not supposed to share with any other person except the customer. The storage of informative materials is pertinent to the business because through all these customers' data, the organization has increased their business and competes with other competitors who are sustaining a good and strong position in the market.

Methodology as Qualitative Utilizing

For any qualitative study, we need to start our research investigation by using the target population. The Qualitative research study includes

- Personal observations

- Focus groups
- Interviews
- Non-Statistical methods useful for particular study.

Target population is required to study the CRM importance in the organization level and the shift of CRM from domestic level to the global level. It includes following steps:-

- Selection of target population such as any organization.
- Drawing observations on the selected population.
- Conducting interviews on one-to-one basis
- Use of Non-Statistical methods

These are the qualitative methods, which can provide affluent information and the new innovative techniques, which can be effectual for the organization to conduct CRM process.

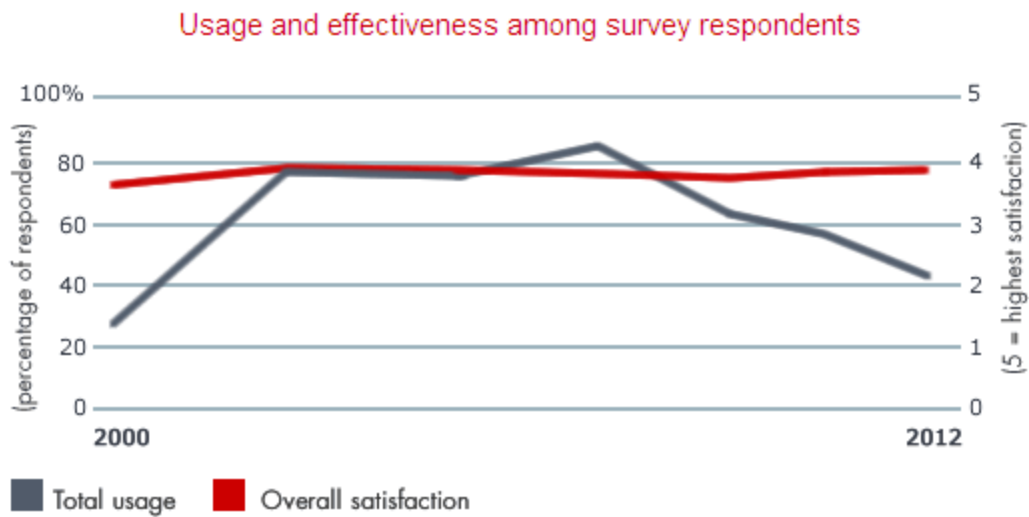
The shift from domestic to the global level needs strong marketing strategies because it requires multiple resources fulfilling their observations.

For the global level CRM, adopt various sources such as they need internet services and transmit their questionnaires to the selected population. They can also conduct, focus group discussion and interviews with the customers, so they can easily share their perception about the effectiveness of CRM process.

Research Study

The shift of CRM process from domestic level to the global level needs multiple resources which every organization requires and stabilizes its position in the world market. The shift also requires sufficient methods that can help the organization to tackle customers on a worldwide level. It needs to advance CRM process and facilitate their customers from every source. This cooperation from the organization to their customers will help the relationship between both parties and further it strengthens their connection and satisfaction.

According to survey, shift from domestic to the global level of CRM has to provide affluent outcome to customers directly attached with the organization.



Interpretation

This graph defines the relationship between the percentage of respondents and their satisfaction process. The data collected from 2000 to 2012, and the number of respondents fluctuates from time to time. The overall satisfaction of adopting CRM to the organization has sustained the good position because the organization has implemented new techniques and methods for understanding their customer’s issues or problems. The development in CRM techniques will help the organization to solve customers’ problems by using their information and providing affluent help, which they need to access.

It is not easy to deal with the worldwide customers and understand their problems regarding the business .This requires various techniques can expertise the organization and they can attain multiple issues, which might need to solve all these on immediate actions.

Leadership

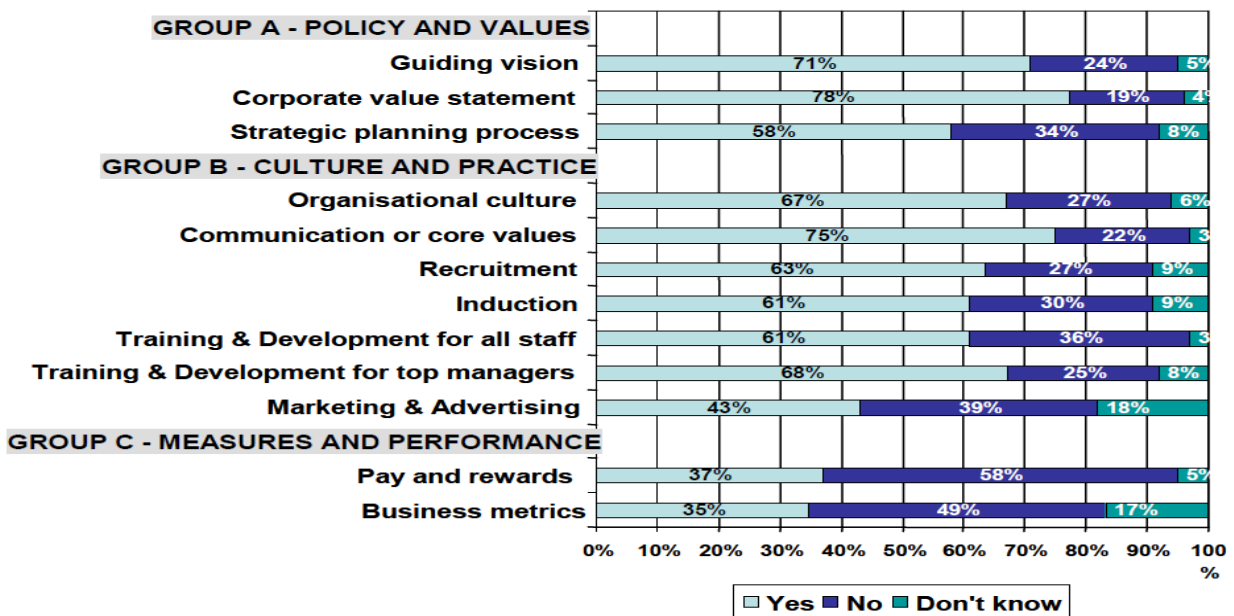
Impact of leadership is an effective technique for running an organization on successful levels. This defines that every employee of the organization has a leadership quality through which he can influence the customer’s perception and attain the important information about him or her. This will be beneficial at the organization level for generating the decision-making problems of the customers and arrive at concrete solutions for their issues.

The role of leadership is active in the process of integration and managers are strategically planning the role of leadership for satisfying the needs of customers by directing the organization in a directive manner leads to customer satisfaction.

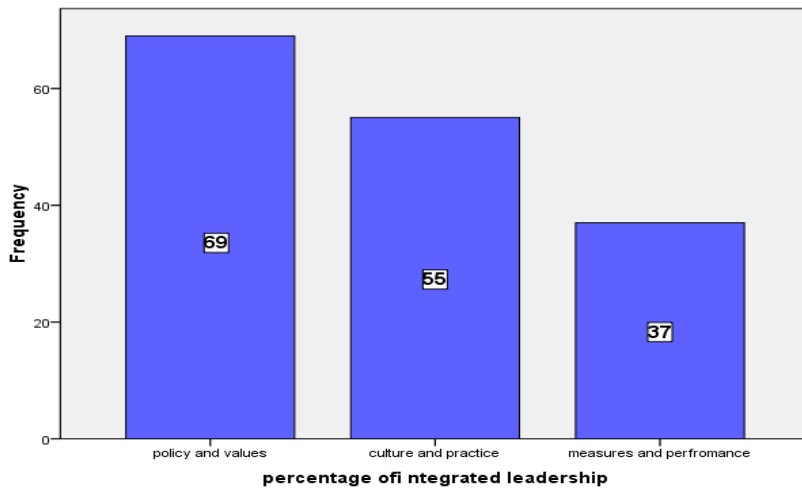
European Academy of Business carried out a study in Society by 2006 on the integration of leadership in management functions (Wilson et al., p.11).

The respondents were the employees belonging to different countries working at different managerial levels. Following is the analysis of the data:

Is responsible leadership integrated?



Source: European Academy of Business in Society



The above chart displays that the leadership is impactful in terms of running any organization by using the CRM techniques in a global level. The leadership needs certain fundamentals principles which are necessary to define and through which the organization obtain affluent outcomes by using these principles. The policy and values is the top most principles through which the CRM can run influentially, whereas the culture and performance vary according to the customer’s specification with the management process. Through all these processes, the organization can enhance their business effectively in worldwide.

A study was carried out on the Korean telecommunication industry that took “customer relationship management” into account and associated CRM with multiple dimensions and carried out a survey. The results drawn after the statistical analysis are as follows:

Factor Analysis			
Path	Estimates	t-value	Sig.
Call quality-customer satisfaction	0.283	3.206	0.001
Value-added services-customer satisfaction	0.483	4.208	0.000
Customer support-customer satisfaction	0.420	3.534	0.000
Loss cost-switching barrier	0.298	3.380	0.001
Move-in cost-switching barrier	0.215	2.391	0.017
Interpersonal relationship-switching barrier	0.243	2.726	0.007
Customer satisfaction-customer loyalty	0.797	8.895	0.000
Switching barrier-customer loyalty	0.195	2.214	0.028

Source: Telecommunications Policy

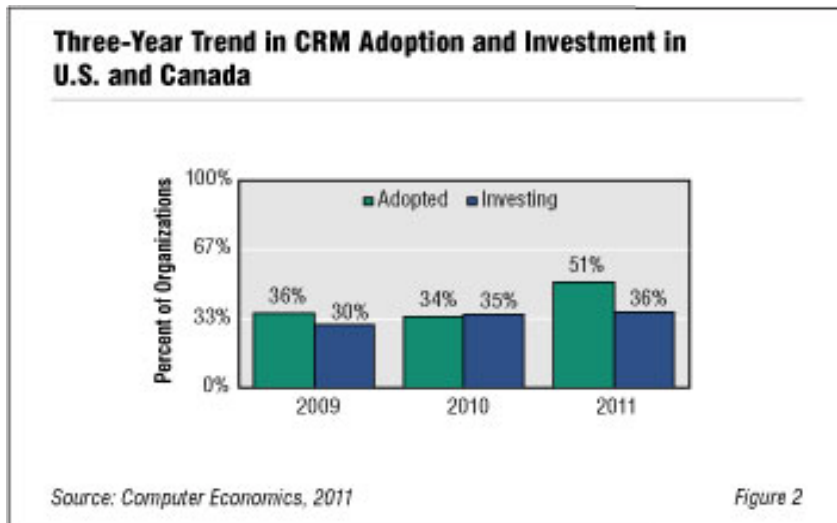
This analysis showed that customer's satisfaction is linked to the customer relationship management.

The control variables of CRM taken into account were call quality, value-added services, loss cost, customer loyalty, interpersonal relationship, switching barrier, and move in cost. The significance values of the above hypothesis are less than 0.05; hence, the entire alternate hypotheses were accepted and proved that customer satisfaction is along with customer relationship management. This will help the organization to augment their relationship with customers on a worldwide level (Kim et al., p.154).

Technology of CRM

The organizations are integrating the CRM applications in their business practices because of the demand of technology. No business can earn profits without bringing transformational innovative changes in its processes. For innovation and technology-based working environment, organizations have incorporated software and applications of CRM in their business that links managers with the customers. Because of the integration of CRM applications, the managers can easily maintain the customer profile. The customer bases of potential customers maintained in a database help the manager in managing the relationship with the customer by reviewing the demographics of the customer and understanding the trend and shift of need of the customers (Payne & Frow, 2005).

CRM system considers a significant application of an enterprise. The applications are supported because of the emerging trends of rising expectations of the customers, portable access, and new requirements of CRM, increased knowledge, innovations, technological changes, and economic conditions across the world. In 2011, trends of CRM adoption and investments measured in United States and Canada. From 2009 to 2011, the adoption percentage of CRM applications jumped to higher adoption rates and the rate of investment in CRM applications kept increasing regardless of the economic conditions and inflation.



The above chart shows that the adoption of CRM applications in 2009 was 36 percent, and the rate of investment in the application of customer relationship management was 30 percent. In 2010, the rate of adoption of applications of CRM decreased to 34 percent, whereas, the rate of investment in the applications of customer relationship management increased to 35 percent. later on, in 2011, the rate of adoption of CRM applications showed a drastic change and the percentage of adoption rate rose to 51 percent, whereas, the investment rate in applications of customer relationship management slightly increased to 36 percent (Computer Economics, n.d.). Technology is not the only criteria to establish relationship with customers. Human interface is also one of the bases to enhance the activity .The data and information collected and authenticated must be used keeping in mind the human nature of customer .Ultimately this nature influences their buying decisions.

It requires a systematic change in the whole business strategy by bringing a cultural change in the organization to make sure that the implementation of CRM technology is effective and aligns with the overall goals.

The implementation of CRM technology must ensure that the employees may adopt change for facilitating the customers by satisfying their needs and wants.

PricewaterhouseCoopers stated that the 75 percent success of the implementation of CRM applications depend on the people, process, and culture of the organization, whereas, 25 percent success depends on the software of CRM. The managers are engaging the customers with the business operations to make the customer more loyal; to the organization and to save the

cost of switch. the records of the customer care maintained in the customer profile to understand the needs of the customer and to fulfill those needs by delivering maximum value that can maximize the utility of the customers and the customer can become loyal that restricts the customer from switching to other brands. An IDC survey carried out in 2004, which depicts the increasing importance of software and applications of CRM in business unit that based on increased revenues.

This analysis defines the CRM structures on the global level by using the two top most countries. By using the CRM techniques, they enhanced their relationship with customers and understand them easily and provide them with every facility, enhance the satisfaction level of customers (Dimitropoulos, 2012).

Human Interface of CRM:

As we say that human interface is a key factor in CRM, it is necessary that we should consider the value of volume of data base which will be gathered with the help of advanced technology. In global scenario, it is a vast volume, which requires unavoidable help of technology. Previously, the roles of managers and leaders were different in organization. According to the increased importance of CRM the role of manager is likely to be changed as combined role of manager and leader with human interface matched with advanced technology.

MANAGER'S ROLE AS LEADER MANAGER

- Abrupt changes and uncertainty are increasing, that is altering the technologies and innovations at very fast pace
- Increasing Diversity at all the operational levels is demanding the managers to operate the functions at all the levels.
- Management leadership Approach - that is joining the manager role and leadership role in a way that a manager leads the organization by managing the global customer relationships.
- The positions of the human staff in any organization has changed as follows which is a prime factor in application of data and information gathered under the technology of CRM.

Current

- Database Management
- Providing Leads
- Sales
- Providing Quality
- Servicing clients
- Implementation
- Functional & Operational

Customization

- Grouping Customers with diverse requirements
- Generating relations
- Providing value additions
- Providing Solutions
- Creating advocacy
- Acceptance by all
- Philosophy at all levels

SWOT of global meltdown

SWOT is a management tool, issued by the managers for evaluating the strengths, weakness, opportunities, and threats. There are certain strengths, weakness, opportunities, and threats faced by the managers in the present global meltdown where the world is under the burden of the financial crisis. In this situation, the customer relationship management is important to mitigate the burden of global meltdown. However, there are some weaknesses and threats faced by the managers in managing the organizations. Following is the SWOT analysis of the situations faced by the managers in the global meltdown:

Strengths

- Individualistic competency as technology.
- Highly workforce.
- Strong brand image
- High rate customer loyalty and customer retention
- High rate of customer loyalty and customer retention.
- Sufficient financial resources and other resources
- Differentiation in to cost-focused.
- Integrated systems that help in managing and maintaining the processes of departments.
- Proper managed relationships with customers.
- Worldwide business with strong global customer base.

Weaknesses

- Unclear of.
- Facilities such as integrated systems (information system, customer relationship software, etc) are outdated.
- Use of obsolete technology (old applications in managing CRM rather than using new software of CRM).
- Less employees
- Poor managing resources
- Poor brand image
- Poor controlling and monitoring system.
- Disloyal customer base.

Opportunities

- Better economic conditions
- New technologies and innovations.
- Integrating new systems for customer and management
- Discover latent need of customers.
- Managing relationships customers

Threats

- Change in customer preferences.
- Weak customers
- Not manageable customer data.
- Lack of financial resources in integrating new technologies and applications.
- Break of relationship between customer and manager.
- Recession the world
- Trade barriers that restrict the manager to expand the business in the global market.
- Lack of adoption of new management practices by the managers (Moti & Vambe, p.6-9).

Avoiding the pitfalls

The pitfalls in the global Scenario can be framed as Risk management in Global operations, Cost spent on Technology, Cost of Retention, Loss due to redundancy, Opportunities Cost, Lack of Leadership at various levels. The manager can avoid the pitfalls in the global meltdown by incorporating risk management in its operations. Risk management helps the manager to forecast the future risks, analyze the opportunity trends, and make reliable decisions. In forecasting, a manager must consider the problem and must consider multiple alternatives.

The weights allocated to various alternatives determine the best alternative that is cost-effective and effectual. A manager must give weekly feedback to the employees regarding their performance to meet the customer demands. A manager should act as a leader and should lead the employees by directing them towards the achievement of goals. A manager should keep scanning the environment for converting the opportunities into strengths.

Conclusion

The CRM (Customer Relationship Management) helps the organization to run their business efficiently, and it also enhances the stronger relationship with customers on a worldwide level. Initially it had practiced on the domestic level, but when the organization learned advanced skills and methods then they switch it on the worldwide level. This enhances the chances of their growth of business on the global level, and they further increase their relationship with the customers. To provide multiple resources and promise them to safeguards

their information's with others. Thus CRM has changed the business criteria .It provides an individual or significant meaning through which the business can explore in many ways and strengthen the relationship with customers and organization (Kotorov, 2003).

The modern approach of CRM leads to understand the following points, which will combine all the factors together.

“Customer Centric” Philosophy as a destination & not means” can be the idea in modern thought. The leader manger should consider Customer Perspective from the viewpoint of the customers & not Customer Perspective from company's view only.

Therefore, it would be better to call Customer Relationship Management as “Customer Experience Management.”

This ideology gives the following key factors for better Customer Relationship Management rightly said as –“Customer Experience Management”

- Translate ideas into heart touching actions.
- Measuring Loyalty & not Satisfaction alone.
- Constant evaluation of “Experience Management”.
- Cultivating Advocacy.

Therefore, the modern approach of CRM / CEM will consider the following for betterment of the organizations relations with customers. This requires the following factors .This paper aims towards developing inclusion of the following concepts in Customer Experience Management.

- Cultivating Leaders – who cannot just motivate, but understand & realize the human aspect of the customer.
- Value Customer Opinion – Never underestimate him.
- MIS customization - of processing knowledge & not just data, as it can be misleading.
- CRM Tool – A helping hand & not the universe.
- Some of the skills, which managers required to sustain a superior and well-built leadership, were restricted to the TOP Management.
- Due to Global Complexities, the skills are needed in Middle & Lower Management as well.
- More amount of focus needs on implementation & Monitoring (Mostly ignored) and not just planning.

- Work as a fast way to identify and handle potential problems.
- Can track all points of contact between a customer and the company.
- May provide all employees with information and technical assistance.
- Manages the scheduling of follow-up sales calls quickly to assess the satisfaction of customers and their repurchase probabilities.
- Know your customer! & understand him.
- Remember that it is not enough to be nice to your customer – you must learn from them.
- CRM can lead to greater customer service → greater profitability!!

References

- Anton, J., & Petouhoff, N. (1996). Customer relationship management. Prentice Hall.
- Bull, C. (2003). Strategic issues in customer relationship management (CRM) implementation. *Business Process Management Journal*, 9(5), 592-602.
- Dimitropoulos, G. (2012). Global Administrative Law as 'Enabling Law': How to Monitor and Evaluate Indicator-Based Performance of Global Actors. IRPA Research Paper, (7).
- Greenberg, P. (2002). CRM Customer Relationship Management. Apogeo.
- Kim, C., Kim, S., Im, S. & Shin, C(2003). The effect of attitude and perception on consumer complaint intentions. *Journal of Consumer Marketing* vol. 20 no. (4),p.352-371.
- Kobayashi-Hillary, M., & Sykes, R. (2007). *Global services: Moving to a level playing field*. BCS, The Chartered Institute.
- Kotorov, R. (2003). Customer relationship management: strategic lessons and future directions. *Business Process Management Journal*, 9(5), 566-571.
- Moti, U.G. & Vambe, J.T(2010). SWOT analysis and organizational development in the Nigerian public service. University of Abuja.
- Payne, A., & Frow, P. (2005). A strategic framework for customer relationship management. *Journal of marketing*, 167-176.
- Wilson, A., Lenssen, P.G. & Hind, D.P(2006). Leadership qualities and management competencies for corporate responsibility. EBAIS p.1-41

**EDUCATIONAL LEADERSHIP: EDUCATIONAL RENAISSANCE IN
FRANCOPHONE AFRICA**

**By
Boniface Toulassi
Regent University
Virginia Beach, Virginia, USA**

Abstract

This paper diagnosed the root causes of the educational leadership stagnation in Francophone Africa and suggested that for education, “the very machinery for the development of human capital,” to be effective and sustainable, an educational revolution deems necessary. This paper advocated that there should be an urgent need for the de-politicization of education, meaning the decolonization of education and a red card on using education and educational institutions and places for political gains and instruments, a democratization of education which appeals for freedom of educational leaders to reorganize and restructure education without any fear for the incumbents in power, female education, digitalization of education. For the prospective goal to be achieved, this work proposes a tripartite commitment and partnership including government officials, civil society, and business leaders to work together in rebirthing education in Francophone Africa. As vital Francophone human resources are transformed through adequate education, less ethnic crisis will rise and the need to meet economic qualified work power will be met.

Key words: Francophone, educational leadership, CONFIMEN, *Francophonie*

There is educational leadership when educational and professional leadership work toward the enhancement of student outcomes through the creation of an environment where learning permeates the organizational culture (Craggs, Raj, Naidu, Peak, Driver, & Malins, 2007). It is comprised of eight concepts: community, vision, values, strategies, instructional/pedagogical and curriculum leadership, operational leadership, relationships, and reflection. To be honest, Francophone leaders blame their colonial masters for whatever goes wrong in their regions and various countries. Johnson (1987), examining the socioeconomic and political factors associated with educational change in Francophone countries argued that among the host of social and economic problems, “one can delineate in the area of education a number of long standing issues that must be addressed and resolved in order for these countries to advance in their nation-building and modernization efforts” (p. 256).

To substantiate the subject matter under discussion, it is very crucial that Francophone Africans take responsibility for the quality of their education in the sense that the current realities of education are fundamentally parallel to the African proverb: “If we educate a boy, we educate one person. If we educate a girl, we educate a family– and a whole nation.” With such positive and progressive awareness of the tremendous potential and inescapable role of education in general and that of women in particular on the continent of Africa, it is heartbreaking to know that:

Education for women in Africa has faced a hard tide with a history of conservative patriarchal customs that have caused tribal cultures to many times marginalize girls’ education, placing it at the bottom of the list. Traditions of early marriage, women focusing on family management and less on access to the use of information from today’s technology has created gender gaps in certain areas of Africa, especially the northern regions.¹

Africa is the fastest urbanizing continent in the world. By the year 2030, half of its population will be living and working in towns and cities. However, the following facts present a daunting challenge to Africa’s development and ability to contribute on a global level.² Zooming in on education, the article showed that “Primary school enrollment in African countries is among the lowest in the world.” The statistics speak for themselves:

¹ <http://achieveinfrica.wordpress.com/2009/04/15/facts-on-education-in-africa/>

² <http://achieveinfrica.wordpress.com/2009/04/15/facts-on-education-in-africa/>

1. 33 million primary school-aged children in sub-Saharan Africa do not go to school. 18 million of these children are girls.
2. In sub-Saharan Africa, only two-thirds of children who start primary school reach the final grade.
3. Although literacy rates have greatly improved in Africa over the last few decades, approximately 40% of Africans over the age of 15, and 50% of women above the age of 25 are illiterate.
4. There is an average of 40 pupils per teacher in sub-Saharan Africa, but the situation varies considerably from country to country. In many countries, it is more than 60 to one.

As if this is not enough, “HIV/AIDS is likely to claim the lives of 10% of teachers within the coming five years, and 20% of school-age children will be AIDS orphans.”³ Who can be indifferent to such alarming and disastrous statistics? Raising this question is not necessarily implying defeat for, “To a certain extent, the results are discouraging because they show the limits facing those who attempt to implement a policy of decentralization, although a number of successful examples of innovation do give grounds for hope” (de Grauwe & Lugaz, 2007, p. 613). Worse, almost 50% of countries may not attain the goal of universal primary education by 2015; nearly 40 million children are not going to school.⁴ Primary school-age children are not the only children affected in the Francophone educational shadow of death. The secondary school education has similar statistics. Niger has the lowest gross enrollment rate in secondary education (11%).⁵ Meanwhile, according to the International Development Research Centre (IDRC), UNESCO, and World Bank enrollment in lower secondary school rose to 46% in 2003 from 28% in 1991. The gross secondary school enrolment rate exceeds 20% in half of the countries, yet remains below 8% in 10 countries.⁶ Somebody needs to do something. Reinventing education in Francophone Africa is not an option but rather an obligation. This paper explored what educational leadership and the components are, argued that educational leadership should pass through the Francophone educational renaissance, which consists of an intentional and aggressive implementation of the decolonization, democratization, digitalization

³ <http://achieveinafrica.wordpress.com/2009/04/15/facts-on-education-in-africa/>

⁴ <http://portal.unesco.org/education/en/ev.php>

⁵ <http://web.worldbank.org/wbsite/external/countries/Africa> extsta Tina Fr/

⁶ <http://www.africagrantmakers.org/index.asp?PageURL=277>

of the education, and more importantly mandatory female education in a tripartite partnership between state, civil society, and business leaders.

EDUCATIONAL LEADERSHIP: DEFINITION AND COMPOSITION

Craggs, Raj, Naidu, Peak, Driver, and Malins defined educational leadership as educational and professional leadership which enhances student outcomes through the creation of an environment where learning permeates the organizational culture. The educational leader is able to promote a shared community vision, mobilize people, lead curriculum and pedagogical practice, administrate effectively, and reflect critically on all practices. For Meador (2013) educational leadership includes any individual in the school that has a decision making role and this leadership typically includes the superintendent, assistant superintendent(s), building principals, assistant principals, and curriculum directors. This means that the role of school leadership is becoming more than just performing traditional responsibilities as the head of school but now also an instructional leader and policy implementer. The nation, society, and school communities depend on the school leader (Hashim, Razikin, Yusof, Rashid, & Hassan, 2010). The major transition in this renaissance is to address how educational leaders would be able to approach autocratic (authoritarian) and laissez-faire (delegative) leaderships when educational leaders are forgotten or are absorbed by political power. At this level, examining the eight concepts (mentioned above) of educational leadership designed by Craggs et al. is very utile. But this work explores only one, community, because of how strategic community is to African daily life.

Community

Robinson (2006) stated that “School leaders should not only run efficient, safe and caring learning environments – they should also be leaders of teaching and learning” (p. 62). Adadevoh (2007) supported that a careful study of African history will show that “one of the reasons the continent has been stable in spite of all the problems of slavery, colonialism, poor post-independence leadership, and corruption has been the non-formal leadership and social support within the context of ethnic communities” (p. 50). A sense of community is “a unique characteristic and strength of Africa.” Logically, community-based education will alleviate many tribal issues since community is valued and “the value of the individual is directly tied to that of the community of which he/she is part. No person is considered an island. Everyone is expected to feel a sense of belonging and obligation to the community” (p. 51). As John Mbiti captured it,

“I am, because we are; and since we are, therefore I am.” Francophone Educational Renaissance here has to pay vital attention to African communal values.

ROAD MAP TO EDUCATIONAL RENAISSANCE IN FRANCOPHONE AFRICA

De-politicization of Education

Bianchini’s (2004) revealed that school is a forgotten institution by political African *leaders* and analysts (my italic). If political parties find school to be their laboratories to groom partisans and adherents, they often forget that the correlative factor is what is known in Francophone countries as “*Année blanche*” (White Year), a whole academic year when students have not been to school or class because political leaders use students as scapegoats for their political ambitions. The magazine *Courier International* (2012) explained that when the number of student strikes is higher than 50% of normal hours of class, the school year is invalidated: no exams, no diplomas.⁷ Lange (2007) confirmed that some countries have two to three *Année blanches* (p. 644). The Malian school system attained top rank with three years declared white between 1980 and 1994. School environment is where social revolts originate from, indicating that African schools are in the heart of social movements, revealing the intrinsic relationship that *primarily* exists between state and education.

The de-politicization also invites educational leaders and actors to reconsider educational expenses. UNESCO affirmed that in 1980 public education expenses reached only 3.8 % of the GDP in Francophone sub-Saharan countries which has declined to 3.1 % in 1988. This means that contrary to the glimpses of hope pointing at in the *Conférence de Jomtien* (1990) and the *Forum de Dakar* (2000), the objectives for education for all – a complete cycle for basic education for children, improved literacy rates by 50%, and equity between gender in education by 2015- already seem unachievable (RFI, 2010).⁸

Decolonization of Education

Copans (1974) observed that contrary to the “Anglo-Saxon anthropology, the thematic of acculturation remained absent in the classic French anthropology” (p. 96). In consequence, Balandier’s (1982), “la situation coloniale” (the colonial situation), meaning an essential breaking with the classic ethnographic view is the double culture needed to be taken into account because “such double historical reality remains even though it is omitted and neglected.” Clignet

⁷ <http://www.courrierinternational.com/article/2012/03/22/universites-annee-blanche>

⁸ <http://www.rfi.fr/contenu/20100309-50-ans-politiques-education-afrique-francophone> Dossier spécial 50 ans des indépendances africaines.

(1967) affirmed: “If the attitudes of students from different ethnics are still distinct, one can notice that such diversity characterizes other social environments (a part from the school) as well” (p. 378). This is the reason why this paper calls for use of the local languages.

Colonial language

Brochier (1965) advocated that to ensure real cultural revival of Black Africa and her economic development, the decolonization of the educational system is deemed necessary. This decision is not fueled by any hatred or tribal orientation; but it is true that the colonial language is mostly only spoken in schools and students don't really master it well (RFI, 2010). Moumouni (1964) found that “there are some gaps in the current educational policies still largely inspired by the former colonizer” (p. 339).

Inadequacy of educational system

Educational management and leadership have a great mission to accomplish (Mazurkiewicz, 2011) as they will have to act through the vision and values that permeate in the entire culture (Bergsteiner & Avery, 2009, pp. 39-49). There is a need for a new approach to understand the concept because “its traditional meaning is no longer adequate for the merging educational needs of the new millennium...the kind of education that is being offered in many school systems is no longer pertinent to the societies in which we live” (Pigozi, 2006, p. 39). The influence of class in society is not completely mediated by education (Robinson, 2011).

Public schooling

Bianchini (2004) stated that “The public system played a primordial role in countries colonized by France. In reference to the past, she held the monopoly in training the elites; it is an impression of decline which was prevailing” (p. 44). Francophone Educational Renaissance is inviting educational leaders to consider that the he quality of education cannot be divorced from the heightened salience of education policy and education reform within the whole range of public policy. Also, to reduce the sharp variations in quality between public and private schools, urban and rural, education for majority and education for minority and taking into account the different learning experiences of boys and girls (Pigozi p. 39).

Democratizing Education

Evaluating the Francophone Educational system after 50 years of independence, Chabasseur observed that 60% of students are in urban areas whereas in rural areas about 100 students learn from only 1 teacher. In consequence, democratization here, takes into account

taking education to the citizens instead of the opposite. It also means that “The school should be a place where citizens are trained and formed and the school itself must present and shape that civic attitude.” Mazurkiewicz was firm when he said that “The school cannot be led by a person who is not aware of the context it functions in. Each decision should arise from a conviction that what we do serves not only a given institution but everyone connected to it in any manner” (pp. 85-6). Although pessimistic visions of social development emphasize the collapse of a certain relation model in the public sphere, the one based on trust, cooperation and responsibility for the common good and order (Bauman, 2006).

In light of what preceded this paper is suggesting that from the school year 2013-2014, (a) the educational pattern, educational tradition, educational system, preparation for teaching profession and management in education must be assessed; leadership education must be investigated also in graduate schools using semi-structured interviews; (b) a project named “Leadership Education in Higher Education” will be implemented in partnership with the Togolese Ministry of Education and the Authorities of *University of Lome* through the opening of a Leadership School. Prior to that all the educational inspectors and professors need to be exposed to the idea and provide their input. The goals are to reform teachers training and certification that will give more skills and competencies of leading the educational process seen as a distributed leadership process (Sayer, 1993).

Better salary & working conditions for teachers

According to RFI, in very calamitous conditions many teachers and professors prefer to go to USA, Morocco, England or Anglophone Africa for better pay and job. Students follow the same dance since immigration to France is becoming more and more complicated (RFI, 2010).

Changing the role of the principals

Hashim, Razikin, Yusof, Rashid, and Hassan argued that the role of managing people is a very complex and challenging job. Indeed, only those people with the right leadership approach and the appropriate leadership traits and principles would be able to survive in the long-run (Nambiar, 2010). Four of these leadership principles are: transformational, autocratic, democratic, and laissez-faire (Manners, 2008). Still others are: integrity, duty, passion, impeccability, teamwork, selfless services, planning, loyalty, perseverance, and flexibility (Perdew, 2010). For Nambiar, there are six leadership principles; vision, goal-oriented, great and quick thinking, setting an example, motivation, and recognition (p. 559).

Since transactional leadership depends on the existing system and authority that is not exposed to flexibility and change, this work proposes the development and the teaching of the four factors of the transformational leadership, namely: intellectual stimulation, individualized instruction, and motivation must be recommended and developed and taught.

Female Education

A minimum of three million more teachers is needed in sub-Saharan Africa to achieve the goal of universal primary education by 2015, and illiteracy among individuals over the age of 15 stands at 41 per cent; gender disparity in education prevails in 75% of countries.⁹ For the period 2000–06, Seychelles had the highest adult literacy rate (92%); Mali and Burkina Faso had the lowest (24%).¹⁰ So launching female mass education will start by breaking the yokes of traditionalism and archaism.

Breaking traditional yokes

The first thing that has to change radically is gender discrimination. Michaelowa (2000) in her study indicated that the role of the teacher as a model for his or her students (Proteau, 1998 for Côte d'Ivoire). Similarly, Mingat and Suchaut (1998) indicated a positive impact of female teachers on girls' enrolment and on decreased female drop-out rates (p. 181f).

Enlighten traditional lies against females

Nwapa (1996), the first Nigerian female writer insisted that females have the right to go school no matter what the world around thinks and does:

It is a good thing you are sending her to school. But it is a waste sending them to school you know.... boys should be given preference if it comes to that. If you had a little brother for instance and there is just enough for the training of one, you wouldn't train Nkoyeni and leave the boy (*Efuru*, p. 191).

Nwapa seems to identify lack of access to formal education and training as a key barrier to women's employment and advancement in society. Irving Kristol would shed more light providing the basis for the modern noble lie. It is said that there are different kinds of truths for different kinds of people. There are truths appropriate for children; truths that are appropriate for students; truths that are appropriate for educated adults; and truths that are appropriate for highly educated adults, and the notion that there should be one set of truths available to everyone is a

⁹ <http://portal.unesco.org/education/en/ev.php>

¹⁰ <http://web.worldbank.org/wbsite/external/countries/Africaext/extpubrep/extstatafr>

modern democratic fallacy. The correlation with education is very negative and hopeless. Nwapa argued that when families are living under economic pressures as a result of poorer conditions, they find no out than to withdraw their children from school. Generally, girls are those pulled out of school first. They are sent either to sell or be a house girl in order to help earn income for the family. This brings to mind a reading text entitled: “*Ngonda n’ira pas à l’école:*”

I was eight when it was decided to send me to school for the first time. “A girl, going to school is doomed to failure,” my grandmother thundered when my father announced the news in the evening. A girl is meant to be in the kitchen, work in the farm but never in school (p. 19).

This grandmother was conditioned and brainwashed by the binary oppositional system. This worldview results in poorer lifestyle without qualitative vision for progress and personal affirmation. Like Nwapa, this paper is advocating that female schooling or education be mandatory and sponsored. Without education, women will continue to be handicapped, and their success will always be limited: “The girl-child is one of the most hard-hit demographic when it comes to lack of adequate and affordable basic education facilities. Education plays a key role in helping increase women’s numbers in the non-traditional job sector” (Adubra, 2005).

Digitalizing Education

What would you say about university professors and researchers don’t who have a laptop and if they did, they live in a country where electricity goes off as frequently as a person inhales oxygen? Vargas (1992) confidently affirmed that one of the new forces of science and technology is information and communication technologies and their networks which have profoundly revolutionized the modes of interaction in research and education. Diallo¹¹ was perfectly right to argue that:

If one is talking about technologies within the setting of the formal school, it seems important that someone captures and filters the power of these modern inventions. Teachers and village elders, for example, are often the custodians of technology. It is they, maybe, who are the most apt to harness, at a first stage, the potential behind information and communication technologies. They have the capacity to hand

¹¹ Ms. Aicha Bah Diallo is former Minister of Education in Guinea. She currently heads the Basic Education Division at UNESCO Headquarters in Paris.

technology over. This capacity is not, of course, always used. Technologies can also exacerbate frustrations. For example, teachers who don't master computing skills will necessarily prevent pupils, more eager than they, from using technology. Resistance to change is hard to overcome.

Tripartite Partnerships: Government, Civil Society, and Business Leaders

Repeal governmental educational programs

The complexity and the power-distance between educational leaders and official leaders or their representatives make the educational goals difficult to achieve. De Grauwe and Lagaz captured what teachers in Benin for instance think or feel *par rapport* the government or administrative authorities: “The mayor’s office is not doing anything that can convince us that he is determined to engage in school development” (p. 621). The authors affirmed that this scenario is not different in Mali where since 1990 the relationship between educational leaders and officials is so difficult that some school principals said “their relationship with the mayor is useless.”

The problems referred to above are quite commonplace: A Guinean principal confided that the local offices and schools prepare the budget for operational funds according to the needs of their schools and offices: “The budget is not allocated according to the needs rather the opposite. We are been asked to determine our needs according to the money been allocated” (p. 627). Is there real education reform? For instance, a school in Guinea received at the beginning of the year 40 staplers and 30 student directories but no notebooks and chalk. In Senegal, the principal said: “The school lacks textbooks; math books but has lots of textbooks in science, history and geography” (p. 628). The Senegalese director stated that: “All is not only ineffective but also frustrating for district managers whose complaints fall in the ears of a deaf person.”

Leadership education for educational leaders

Aronowitz and Giroux (1991) affirmed that the education crisis is seen where the fundamental democratic values are compromised. Fertig (2012) argued that school leaders play a central role in affecting the educational development of the young people for whom they have responsibility. Though Lambert (2002) purported that “Instead of looking to the principal alone for instructional leadership, we need to develop leadership capacity among all members of the school community,” (p. 8) the problem is that the days of the principal as the lone instructional leader are not over. For Dorczak (2011), “The Apollo culture is built on rules and regulations

that describe every single step of all members of the organization including Apollo. Roles are precisely defined and there is no space for creativity and autonomy” (p. 50).

Burns (1978) delineated two basic types of leadership known as transactional and transformational leadership. Effective transformational leaders use their charisma and power to inspire and motivate followers to trust and follow their example (Burns, 1978; Bass, 1985; Avolio & Bass, 1995). Francophone Educational Authorities might put in place dream teams at local, national and regional levels, composed of ministers, inspectors, and regional directors of education, business leaders and educators to analyze data and to plan, advocate, monitor, and implement the school improvement plan. For Francophone education to take off, privatization of education is not an option rather the accountability and responsibility of educational leaders. Newfield (2011) mentioned that “If you are wondering whether privatization caused this destruction, the answer is yes, it did” (P.10).

Conclusion

This paper proved that education in Francophone Africa needs a push through a sincere and genuine assessment of the current needs to formulate short and long term goals to adapt to education global realities. Francophone Educational Renaissance called for a tripartite partnership to decolonize education, democratize education, and maximize female education by incorporating other social actors of the national life. Also, this paper called for the depoliticization and detribalization of school to focus on civic and transformational leadership with an emphasis on the main task of leaders of the schools. By improving salary and working conditions for teachers and students in the Francophone world, the school will be able to equip students to be creative, innovative, and qualified Human Resources to usher a new and brighter future for the Francophone world.

References

- Adadevoh, D. (2007). *Leading transformation in Africa*. USA. ILF Publishers
- Adubra, A. L. (2005). Non-traditional occupations, empowerment and women. Routledge
- Aronowitz, S. & Giroux, H. A. (1991). *Postmodern education: Politics, culture & social criticism*. University of Minnesota Press, Minneapolis.
- Avolio B. J., & Bass. B. M. (1995). Individualized consideration viewed at multiple levels of analysis: A multi-level framework for examining the diffusion of transformational leadership. *The leadership quarterly*, 2, 199-218.
- Ayers, W. (2004). *Teaching toward freedom: Moral commitment and ethical action in the classroom*. Beacon Press, Boston.
- Bass, B. M. & Avolio, B. J. (2005). *Transformational leadership*. Mahwah, NJ: L. Erlbaum Associates.
- Bauman, Z. (2006). Morality in an instable world. Księgarnia św. Wojciecha. ISBN 83-7015-863-3.
- Bergsteiner, H., & Avery, G. C. (2009). A generic multiple constituency matrix : Accountability in private prisons. *Journal of Public Administration Research and Theory*, 19(3). 631-666.
- Bianchini, P. (2004). Ecole et politique en Afrique Noire : Sociologie des crises et des reformes du système d'enseignement au Sénégal et au Burkina-Faso (1960-2000). Karthala.
- Brochier, J. (1965). Abdou Moumouni, L'éducation en Afrique. *Tiers-Monde*, 6(21), 313- 399.
- Burns, J. M. (1978). *Leadership*. Harper & Row. New York, NY: Harper and Row Publishers.
- Bush, T. (2003). *Theories of educational leadership and management (3rd ed.)*. London: Sage Publications.
- Chen, M. (1994). Educational leaders: Professionals or moral-social agents. Paper presented at the Annual Meeting of the American Educational Research Association (New Orleans, LA, April 4-8, 1994).
- CONFEMEN (2000). Actes de la 49e session ministérielle de la CONFEMEN, Bamako.
- CONFEMEN (1999a). PASEC : Les facteurs de l'efficacité dans l'enseignement primaire: données et résultats sur cinq pays d'Afrique et de l'Océan Indien, CD-ROM.
- CONFEMEN (1999b). Les facteurs de l'efficacité dans l'enseignement primaire: Les

- résultats du programme PASEC sur neuf pays d’Afrique et de l’Océan indien, Rapport de synthèse du Programme d’Analyse des Systèmes Educatifs de la CONFEMEN (PASEC), Dakar.
- Craggs, S., Raj, A., Naidu, S., Peak, R., Driver, J., & Malins, M. (2007). *Educational leadership*. Post graduate diploma of school management.
- De Grauwe, A., & Lugaz, C. (2007). Décentralisation de l’éducation en Afrique francophone de l’ouest: réalités et défis au niveau local. *International Review of Education*, 53, 613–638. Doi: 10.1007/s11159-007-9055-y.
- Diallo, A. B. (). Technology, Africa and Learning. Retrieved 24 January 2013 from <http://www.unesco.org/education/lwf/doc/portfolio/opinion3.htm>.
- Dorcak, R. (2011). School organizational culture and inclusive educational leadership. *Contemporary Management Quarterly*, 2, 45-55.
- Fertig, M. (2012). Educational leadership and the capabilities approach: Evidence from Ghana. *Cambridge Journal of Education*, 42(3), 391-408.
- Hashim, N., Razikin, M., Yusof, M. Y., Rashid, A.A., & Hassan, S. S. S. (2010). Investigating educational leadership practices model among teachers in Malaysian secondary schools. *European Journal of Social Sciences*, 17(4), 556- 569.
- Johnson, C. R. (1987). Educational change in Francophone Africa. *The Journal of Negro Education*, 56(3), 265-281.
- Lambert, L. (2002). Beyond instructional leadership: A framework for shared leadership, 59(8),
- Lange, M. (2007). Espaces scolaires en Afrique francophone. PUF, *Ethnologie française*, 4(37), 639-645.
- Manners, A. (2008). Influence of transformational, autocratic, democratic, and laissez-faire leadership principles on the effectiveness of religious leaders. Retrieved 4 January 2013, from Dissertations & Theses: Full Text. (Publication No. AAT 3370948).
- Matip, M. (1958). *Ngonda*. Paris. Bibliothèque du Jeune Africain.
- Mazurkiewicz, G. (2011) Educational leadership: Key elements supporting teaching and learning. *Contemporary Management Quarterly*, 2, 84-98.
- Meador, D. (2013). Educational leadership. Retrieved January 3rd, 2013 from <http://teaching.about.com/bio/Derrick-Meador-82434.htm>.
- Michaelowa, K. (2001). Primary education quality in Francophone Sub-Saharan Africa:

- Determinants of learning achievement and efficiency considerations. Hamburg Institute of International Economics (HWWA), *World Development*, 29(10), 1-34.
- Mill, J. S. (1868). *The subjection of women*. London: Longman.
- Mingat, A., & Suchaut, B. (1998). Une analyse économique comparative des systèmes éducatifs africains, rapport réalisé pour le Ministère Français des Affaires Etrangères, Coopération et Francophonie, Paris.
- Moumouni, A. (1964). *L'Education en Afrique*. Francois Maspero.
- Newfield, C. (2011). Reinventing public universities: From funding deadlock to bootleg U. *Western Humanities Review*, pp. 6-24
- Nwapa, F. (1966). *Efuru*. Ibadan: Heinemann.
- Perdew, K. (2010). 10 leadership principles. Retrieved 4 January 2013 from <http://www.kellyperdew.com/personal/10-leadership-principles/>.
- Proteau, L. (1998). Itinéraires précaires et expériences singulières. La scolarisation féminine en Côte d'Ivoire. In M.-F. Lange (Ed.), *L'école et les filles en Afrique – scolarisation sous conditions* (pp. 27-71). Paris: Karthala.
- Robinson, V. (2007). How school leaders make a difference to their students. Keynote Address to International Confederation of Principals. Paper presented to the International Confederation of Principals.
- Robinson, V. M. J. (2006). Putting education back into educational leadership. *Leading & Managing*, 12(1), 62-75.
- Robinson, K. (2011). The role of schools in society: A future vision of education. *Education Review*, 24(1), 17-24.
- Roddy, T. P. (2010). Take five: The best and most popular of *The Art of Education*, 1. Retrieved 2 January 2013 from edleaderlounge.blogspot.com/2012/12/the-compliment.html.
- Rost, J. C. (1991). *Leadership for the twenty-first century*. New York: Praeger Press.
- Rost, J. C. & Baker, R. A. (2000). Leadership education in colleges: Toward a 21st century paradigm. *The Journal of Leadership Studies*, 7(1): 3–12. Doi: 10.1177/107179190000700102.
- Vargas, J. (1992). Technology and the building of local capacity. Retrieved 24 January 2013 from <http://www.unesco.org/education/lwf/doc/portfolio/opinion12.htm>.