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Managerial Capabilities and Market Orientation in Mediating Entrepreneurial Orientation with Business Performance of Coffee Processing Smes in Pupuan

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Abstract

Role analysis as well as the influence of managerial capabilities and market orientation in mediating entrepreneurial orientation with business performance on coffee processing SMEs in Pupuan and explaining the role of managerial capabilities and market orientation in mediating entrepreneurial orientation with business performance on coffee processing SMEs in Pupuan is the purpose of this study. The data of this research were collected through questionnaire method by using samples of 52 owners and managers in 26 units of coffee processing SMEs in Pupuan. Partial Least Square statistical analysis tool is used in this study and then tests the mediation effect. The result of this research concludes that managerial capabilities and market orientation have positive and significant influence and act as partial mediator between entrepreneurial orientation with business performance. The results also provide suggestions for continuously improving the high entrepreneurial attitude with managerial capabilities and market orientation to SMEs to be able to improve business performance.

Keywords: entrepreneurial orientation, managerial capabilities, market orientation, business performance, coffee processing.



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INTRODUCTION

National economic growth is largely determined by the dynamics of the economy in areas sustained by small and medium sized economic activities, i.e. Small and Medium Enterprises (SMEs). SMEs play important roles in the regional and national economic and contribute substantial contributions in terms of increasing employment, reducing

unemployment and distributing development outcomes throughout Indonesia (Nur et al., 2014). Therefore, SMEs have a very strategic role. The sustainability of an SME is certainly illustrated in its business performance. SMEs that have huge potential for export are coffee processing SMEs in Pupuan District, Tabanan Regency, Bali. However, this potential is not necessarily able to improve the performance of SMEs business. At this time SMEs processing coffee in Pupuan experiencing problems related to weak performance caused by problems in managerial and marketing aspects.

Suci (2009) states business performance as a series of work functions of a company within a certain period of time, which is reflected as the achievement of success or as a failure. Sales growth, asset growth and profit growth are used to measure business performance, especially the performance of small and medium business enterprises. The importance of the role of entrepreneurial orientation and its positive influence on business performance, is explained in several entrepreneurial researches e.g. Andersen (2010); Nur et al. (2014); Umar (2014) and Tricahyadinata et al. (2015). In the study of Hughes & Morgan (2007) and Frank et al. (2010) show that entrepreneurial orientation indicators provide a negative significant relation to business performance.

The development of entrepreneurial orientation of SMEs is highly determined also by the managerial capabilities of the SMEs entrepreneurs themselves. The result of empirical study on the influence of managerial capabilities has been stated by Suci (2009), Maupa (2004) and Degrauel (2011) which shows entrepreneurial orientation gives positive and significant influence on managerial capabilities. In other researches, it is stated that the research's result to influence of managerial capabilities is not significant to the performance, i.e. in research of Lo (2012), Umar (2014) and Nuret *et al.* (2014). The study of Mithas *et al.* (2011) indicates that managerial capabilities has an important role in developing the company's capabilities. In addition, on the results of the study Umar (2014) and Nur et al. (2014) indicates a managerial capabilities capable of mediating well between the entrepreneurial orientation of business performance.

Market orientation is defined as the superior value created for the buyer to achieve higher business performance over competitors (Narver& Slater, 1990). The market orientation consists of 3 indicators formed from the constructs, i.e.: customer orientation, competitor orientation and interfunctional coordination (Prakorsa, 2005). Previous researches which show negative relation between entrepreneurship orientation to business performance are by Hassim et al. (2011); Affendy et al. (2015); Matsuno et al. (2002); Pramesti & Giantari (2016); Amin et al. (2016) found in the results of their researches that there is influence of mediation between entrepreneurial orientation to business performance of SMEs.

Therefore, the research on strategy management aims to identify the role of managerial capabilities and market orientation in mediating entrepreneurial orientation and business performance of coffee processing SMEs in Pupuan. The study also creates a hypothesis of relation between variables and testsevery hypotheses. Finally, we will discuss the implications of the findings in this study.

LITERATURE REVIEW

1. Entrepreneurial Orientation

Hisrich et al. (2010) defines a state to be able to innovate to create something with new and different values as the process of entrepreneurial orientation. Lumpkin & Dess (1996) states that the contribution of entrepreneurial orientation to the company is in the form of skill to innovate, risk-taking, and proactive behaviour. Lumpkin & Dess (2001), Zahra & Garvis (2000) and Wiklund & Shepherd (2005) studies suggest that activities by small and medium-sized enterprises should be based on innovation, risk-taking, and proactive behaviour to be better than their competitors.

2. Managerial Capabilities

Winardi (2005) defines managerial capabilities as a skill that aims to gain success over a defined goal, through planning, organizing, implementing and controlling. Latif (2002) argues that appropriate behavioural attitudes, motivations and abilities (skills) are important components in the application of managerial capabilities. In addition, Latif (2002) also states that indicator for managerial capabilities are indicator of verbal communication; managing time and demands in business; determining individual decisions; finding solutions to all problems; and giving encouragement to others.

3. Market Orientation

Orientation is defined as a balance between customer orientation and competitor orientation in marketing strategies to improve business performance (Narver & Slater, 1990). Afsharhasemi et al. (2013) argues that a company must be able to apply market orientation to be one step ahead of competitors and provide added value for customers by of innovating.

The company can also improve its business performance by applying its attitude to maintain customer satisfaction and loyalty, gain new customers, and increase market share (Tsiotsou & Vlachopoulou, 2011). Narver and Slater (1990) state the indicators of customer orientation, orientation towards competitors and inter-functional coordination is used to measure market orientation in small and medium enterprises

4. Business Performance

Glancey et al. (1998) defines business performance as the highest achievement that a company can achieve within a given time period. Covin & Slevin (1989) argue that in performance measurement procedures in small and medium industries are seen through three measurement indicators i.e. sales growth, asset growth and profit growth.

RESEARCH HYPOTHESIS

Relations between entrepreneurial orientation with business performance

High entrepreneurial orientation will provide the ability to gain new business opportunities that directly affects the company's earnings, which ultimately impact business performance positively (Keh et al., 2007). Research from Kreiser et al. (2002) demonstrates that indicators i.e. innovative, proactive and risk-taking are capable of

improving performance in a company. Research from Nur et al. (2014) and Hassim et al. (2011) also shows that the relations between entrepreneurial orientations with business performance has a positive and significant relations. Hence, hypothesis 1 can be stated as follows:

H₁: The entrepreneurial orientation has a positive and significant impact on business performance.

Relations of entrepreneurial orientation with managerial capabilities

Entrepreneurship is a personal incentive to be able to acquire, manage and utilize existing resources. It will certainly encourage the increase in managerial capabilities which is more defined as the identification and control of self (Suci, 2009). Researches by Maupa (2004) and Degrauel (2011) mention that the same results obtained where entrepreneurial orientation has a significant positive impact on its relations with managerial capabilities. Thus, hypothesis 2 can be stated as follows:

H₂: The entrepreneurial orientation has a positive and significant influence on managerial capabilities.

Relations between entrepreneurial orientation with market orientation

Gima & Ko (2001) states that companies which aim to achieve better performance should be able to apply entrepreneurial orientation by considering market share, market entry and product quality (Gima & Ko, 2001). Previous research by Riana (2010) suggests that entrepreneurial orientation is an important indicator in improving market orientation proactively. Previous researches on the relations between entrepreneurial orientation with market orientation which has a significant positive impact are explained by Vitale et al. (2002); Nur et al. (2014) and Pramesti & Giantari (2016). Therefore, from the description above, hypothesis 3 can be stated as follows:

H₃: The entrepreneurial orientation has a positive and significant impact on market orientation.

Relations between managerial capabilities with business performance

Ability is a strong foundation to improve the business performance of a company by doing self-positioning according to the company's perspective (Degrauel, 2011). The research by Suci (2009) shows that through good communication skills, appropriate problem solving, ability to manage pressure and time and ability to motivate others will be able to improve business performance. Researches by Mithas et al. (2011) and Emadzade et al. (2012) also show that managerial ability is able to positively and significantly influence business performance. Thus, the hypothesis 4 proposed in this study is as follows:

H₄: Managerial capabilities has a positive and significant impact on business performance.

Relations between market orientation with business performance

A good business performance is strongly influenced and emphasized by the application of market orientations. The implementation of customer orientation,

competitor orientation and inter-functional coordination significantly affect the improvement of business performance (Prakosa, 2005). Jaworski & Kohli (1990) states that marketing of a company is more emphasized on market orientation in improving business performance. Researches from Riana (2010), Nur et al. (2014), Umar (2014) and Pramesti & Giantari (2016) indicate that market orientation has a positive significant relationship to improving business performance. Hence, according to the results of previous researches, it can be stated hypothesis 5 in this study as follows.

H₅: Market orientation has a positive and significant impact on business performance.

Relations of managerial capabilities mediates entrepreneurial orientation with business performance

Managerial capabilities is very important in a business. A strong managerial base of planning, operational capability and good communication can improve business performance (Latif, 2002). An entrepreneurial orientation based on effective managerial skills is usually able to improve business performance in Small and Medium Enterprises (Neshamba, 2006). Previous research results from Duygulu & Kurgun (2009); Suci (2009) and Degrauel (2011) also show that entrepreneurial orientation has a positive and significant impact on business performance. Based on the previous empirical study above, hypothesis 6 can be proposed as follows:

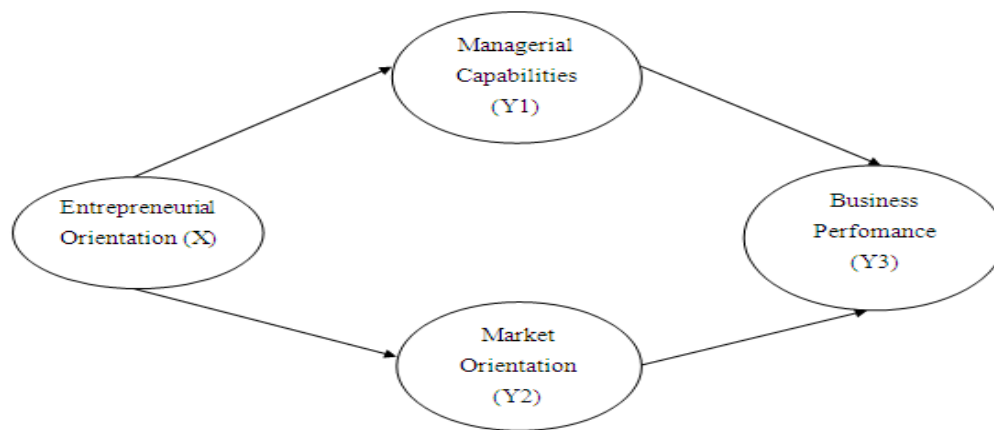
H₆: The entrepreneurial orientation has a positive and significant impact on business performance through managerial capabilities.

Relations of market orientation mediates the entrepreneurial orientation with business performance

Entrepreneurial activities and marketing activities can be integrated to drive innovation within the company aimed at improving the business performance Gima et.al (2001). Olson (2010) states that an important concept in running an entrepreneurial orientation which aims to improve business performance is to be based on a strong market orientation. The previous empirical studies which proves that there is an indirect relationship between business performance where market orientation as a mediating variable are researches from Idar et al. (2012), Amin et al. (2016), Pramesti & Giantari (2016) and Benito et al. (2007). Therefore, based on empirical studies above, hypothesis 7 can be proposed as follows:

H₇: The entrepreneurial orientation has a positive and significant impact on business performance through market orientation.

From the description above of the literature hypotheses and research hypotheses, the concept of research framework is presented as shown below.



Picture 1. Conceptual Framework of Research

RESEARCH METHOD

The research is categorized as an explanatory research which see the relation between entrepreneurial orientation variables, managerial capabilities and market orientation on business performance. The data were collected by using survey method which is considered as the most appropriate or cross-sectional because it is very suitable to test the research hypothesis with data obtained at certain time range. The research is located in Pupuan District, Tabanan Regency. There search studies 26 units of coffee processing SMEs in Pupuan as population with owners and managers in SMEs processing coffee in Pupuan which has been established for at least 3 years as sample, so there were 52 respondents. SPSS 22.0 and Partial Least Square (PLS) are used because only small numbers of sample are studied.

RESULTS

Based on the survey, the results indicate that 73.07% coffee processing SMEs in Pupuan has established for 1-10 years with 1-5 workers. The workers in coffee processing SMEs in Pupuan (maximum 5 people) are dominated by male workers as much as 80.8 % with the age of 38-47 years old and the highest education they have are at high school level. The results of the seven hypotheses showed a positive and significant influence. The test results are shown in Table 1 and Table 2 for the test of mediation effect. The result of the analysis on the influence of entrepreneurial orientation shows significant positive impact to business performance as evidenced by the significance value of 0,038 < 0,05; hence hypothesis H1 is accepted, where entrepreneurial orientation gives significant positive impact to acceptable business performance.

The hypothesis that mentions entrepreneurial orientation has a positive significant effect on managerial capabilities and entrepreneurial orientation has a significant positive effect on market orientation shows the same significance value of 0.000 < 0.05, therefore it is proven that hypotheses H2 and H3 are acceptable.

Tabel 1. Path Coefficients

Constructs	Original Sample	t Statistics	p Values	Remarks
Entrepreneurial orientation (X) → Business performance (Y ₃)	0,292	2,081	0,038	Accepted
Entrepreneurial orientation (X) → Managerial capabilities (Y ₁)	0,770	12,283	0,000	Accepted
Entrepreneurial orientation (X) → Market orientation (Y ₂)	0,737	8,543	0,000	Accepted
Managerial capabilities (Y ₂) → Business performance (Y ₃)	0,299	2,241	0,025	Accepted
Market orientation (Y ₂) → Business performance (Y ₃)	0,382	2,838	0,005	Accepted

The relation of managerial capabilities to business performance is indicated by the significance value of $0.025 < 0.05$ i.e. 0.025, thus the hypothesis H4 is accepted. Likewise with H5 hypothesis that states the relation of market orientation to business performance where is indicated by the significance value of $0.005 < 0.05$ s, thus hypothesis H5 can beconsidered as significant or acceptable.

Tabel 2. Indirect Effects

Construct	Original Sample	t Statistics	p Values	Remark
Entrepreneurial orientation (X) → Business performance (Y ₃)	0,512	5,353	0,038	Accepted

The effect of indirect relation between entrepreneurial orientation and business performance shows significant positive result with coefficient value 0,512. The t-statistics $5,353 > \text{critical t-value } 1.96$, which indicates the entrepreneurial orientation has indirect relation or through significant positive mediation variables on business performance through managerial capabilities variables and market orientation variables. Hence, H6 and H7 are proven and acceptable.

Tabel 3. Mediation Effect of Managerial Capabilities Test

Indirects Effect 0,770*0,299 (Entrepreneurial orientation → Managerial capabilities = 0,770; Managerial capabilities → Business performance = 0,299)	0,230
Direct Effect Before Entering Mediating Variable (Entrepreneurial orientation → Business performance=0,544)	0,544
Total Effects Variance Accounted For Method (VAF) = Indirect Effect/Total Effect = 0,230/0,774	0,774 0,3

Table 3 shows the managerial capabilities of mediating the relation between entrepreneurial orientation and business performance score 0.3 or 30 percent and indicates that managerial capabilities as the partial mediator. This form of partial mediator explains that managerial capabilities is not the only mediator of entrepreneurial orientation relation on business performance of coffee processing SMEs in Pupuan but there are other mediator factors.

Tabel 4. Mediation Effect of Market Orientation Test

Indirects Effect 0,737*0,382 (Entrepreneurial orientation → Market orientation = 0,737; Market orientation → Business performance = 0,382)	0,282
Direct Effect Before Entering Mediating Variable (Entrepreneurial orientation → Business performance = 0,544)	0,544
Total Effects Variance Accounted For Method (VAF) = Indirect Effect/Total Effect = 0,282/0,826	0,826 0,34

Table 4 shows the result of calculations test of mediation effect on market orientation where market orientation as a partial mediator between relations of the entrepreneurial orientation on business performance is 0.34 or 34 percent. These result illustrates that market orientation only mediates the relation between entrepreneurial orientation partially and business performance is one of the few factors that mediate the relation between entrepreneurial orientation with the performance business of coffee processing SMEs in Pupuan.

DISCUSSION AND CONCLUSION

The entrepreneurial orientation has a positive and significant impact on business performance. It means the higher the innovative, proactive and risk-taking values applied by the owners and managers of coffee processing SMEs in Pupuan, the more business performance will increase in coffee processing SMEs. It also supports researches from Kreiser et al. (2002); Nur et al. (2014) and Hassim et al. (2011).

The entrepreneurial orientation gives positive and significant influence to managerial capabilities. It means the higher the values of entrepreneurship orientation applied by the owners and managers of coffee processing SMEs in Pupuan, it will also increase the managerial capabilities of owners and managers of coffee processing SMEs in Pupuan, this also supports previous researches conducted by Suci (2009); Maupa (2004) and Degraavel (2011).

The entrepreneurial orientation gives positive and significant influences to market orientation. It means the better the innovative, proactive and bold values of implementing the market orientation of coffee processing SMEs in Pupuan, the more market orientation of coffee processing SMEs in Pupuan. This also support of previous researches by Nur Et al. (2014); Vitale et al. (2002) and Pramesti & Giantari (2016).

Managerial capabilities gives positive and significant influence to business performance. It implies the better the values of managerial capabilities in communication, determining personal decisions, motivating employees, and managing

problems properly applied by the owners and managers coffee processing SMEs in Pupuan, it will also increase the business performance of coffee processing SMEs in Pupuan, It also supports the research conducted by Mithas et al. (2011), Sacred (2009), Degraavel (2011), Emadzade et al. (2012).

Market orientation has a significant positive impact on business performance. This indicates that the better the values of customer orientation, to competitors and inter-functional coordination applied by the owners and managers of coffee processing SMEs in Pupuan, it will also increase the business performance of coffee processing SMEs in Pupuan. It also supports researches conducted by Nur et al. (2014), Umar (2014) and Pramesti & Giantari (2016).

The managerial capabilities shows the skill to mediate partially. Through managerial capabilities, the relation of entrepreneurial orientation has a significant positive impact on business performance. This indicates that the higher the innovative, proactive and risk-taking values applied by the owners and managers of coffee processing SMEs in Pupuan through direct or mediated managerial capabilities, it will also increase business performance on coffee processing SMEs in Pupuan. It supports the research conducted by Latif (2002); Duygulu&Kurgun (2009) and Degraavel (2011).

The market orientation indicates being able to mediate partially. Through market orientation, the relation of entrepreneurial orientation provides a positive and significant impact on business performance. It indicates that the higher the innovative, proactive and risk-taking values applied by the owners and managers of coffee processing SMEs in Pupuan through direct or mediated market orientation, it will also increase business performance on coffee processing SMEs in Pupuan. It also supports the research conducted by Benito et al. (2007), Osman et al. (2011), Amin et al. (2016), Pramesti & Giantari (2016).

LIMITATIONS AND FUTURE RESEARCH

The study also has limitations where this research is only done in a certain time point (cross section), while the environment can change at any time dynamically and the scope of research is only done on coffee processing SMEs located in Pupuan District, Tabanan Regency. Hence the results of this study cannot be generalized to coffee processing SMEs outside Pupuan District.

According to the results of the research that has been obtained, suggestions that can be given to SME owners and managers to focus more and emphasize these dominant indicators without forgetting to improve weak indicators in order to improve overall business performance. Efforts to support the development of coffee processing SMEs in Pupuan District there must be synergies and proactive actions between local government and community in Pupuan District in particular as the key to success in improving business performance.

Second, the advice for academics is that future research needs to be considered to use another constructs, i.e. the skill of technological innovation that can mediate between the entrepreneurial orientation to business performance. In addition, entrepreneurial orientation can be positioned as the mediation between managerial capabilities and

business performance. Future research may also extend research orientation within a wider range of populations and conduct research on different types of SMEs in other areas, hence the findings of this study may be different than those in other areas.

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Supply Chain Management for Garments Industries Using Blockchain in Bangladesh

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Abstract

Bangladesh garments industry plays a significant role for Bangladesh economy. It helps millions of workers in Bangladesh. As difficulties to trade among nations have failed due to improved shipping systems, technology transfer and government cooperation, the industry has seen a rapid increase in globalization and struggle. The all Bangladesh apparels mills association and individuals needs to enhance the quality of its goods. However, the promises in the RMG can be comprehended only if the challenges in some areas like – organizations, compliances, workforces supply, dealers' performances, raw resources, political stability are tackled. In order to minimize the issues we need a proper supply chain using Blockchain.



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1.1 Introduction

Garments industries have been a tremendously significant part of Bangladesh's economy for a very long time for a number of reasons. Bangladesh is the world's second largest exporter of clothing after China. Ready-to-wear garments make up 80 percent of the country's \$24 billion in annual exports and 15 percent share of GDP (Anner, Bair & Blasi, 2013). Consultancy firm McKinsey and Company has said Bangladesh could twice its garments exports in the next 10 years. In Asia, Bangladesh is the one of the largest exporter of garments products providing employment to a great share percent of

the work force in the country. Presently, the garments industry accounts for 45% of all industrial employment in the country and contributes 5% of the total nationwide revenue (BMZ, 2014). Conversely, though the industry is one of the largest in Bangladesh and is still expanding, it faces massive challenges, principally because the country does not produce enough of the underdone materials necessary, uncomplimentary trade policies, and insufficient encouragements for development. Furthermore, Bangladesh's clothes industry depend on heavily on imports, and the country does not earn as much foreign exchange from its apparels industry as it should (BTE, 2016). Due to growing demand of sustainable apparel design, environmental changes, market struggle, changeable consumer demand, market trends of variety, short product life cycles and low blocks of entry the garments and apparel industry is one of the most highly competitive industrial sectors in the world (BTMC, 2012; Bangladesh Textile Journal, 2011).

1.2 Garments Industry in Bangladesh

Industrial Revolution in the eighteenth century, East Bengal was self-sufficient in textiles. Its people produced Muslin, Jamdani, and various cotton and silk fabrics. These were all well regarded even beyond the region as they were manufactured by very skilled craftsmen (Samaddar, 2016). This eventually led to a great decline in the number of Bengali workers skilled enough to produce such high quality fabrics. According to popularly held beliefs, as the region's spinners and weavers meant competition for their emerging garments industry, the British imperialists responded by trying to force the artisans to stop production. Bangladesh is no more developing countries in the world (Ministry of Finance, 2011). It has been stated as lower Middle Income Country by the World Bank on 01 July 2015 (BTE, 2016). This is absolute on the base of per capita income which is at present 1340 US dollar. It is predictable that Bangladesh can be advanced as middle income country with in 2021 if it can continue its development at present speed (Baral, 2010). In this situation it needs to progress not only in financial sector but also in social and human expansion sector (Akhi, 2017). Readymade garment sector is major contributor of the economy of Bangladesh (Alam & Azim, 2017). RMG sector is the largest export earning source of our country (Akram, 2015).

1.3 Garments industries and Blockchain technology

Blockchain technology applications have the potential to transform our current use of garments industries and the associated hardware and so ware infrastructure (Akhi, 2017). Underling technology and associated crypto currency with its decentralized architecture suggests a range of applications that can, we argue, bring cost savings and e-garments industries versus traditional legacy systems currently in use in garments industries (Seebacher & Schüritz, 2017). We suggest that there are numerous applications

that can be implemented in large garments industries for garments worker management system (GWMS) using blockchain technology (Crowe, 2017).

The fundamental promise of the blockchain is the underlying Information Technology (IT) architecture and its ‘unbreakable’ chain of data entries that allow for secure and open transactions (Crosby, Pattanayak, Verma & Kalyanaraman, 2016). Decentralized and distributed database of a blockchain that contains data allows for an auditable and distributed ledger that allows all to see every transaction (Earley, 2017). Open source attributes of the blockchain make the technology a natural for the requirements associated with the complexities of transaction laden systems associated with health information technology in the public and private sector (Seebacher & Schüritz, 2017).

1.4 Problem statement

There is little management system in garments industries. They are not really exposed and inactive in real world. However it slightly reduces the difficulties of management worker facility and lightly reduces the overall production cost. In addition this facility is very is very inactive in diverse operation. Furthermore it is not effective and not appropriate for real world. It is time to initiate new working management for garments industries for further improvement.

1.5 Research Question

1. What are the attributes and requirements needed to develop an effective garments worker management system (GWMS) using Blockchain technology?
2. How to develop a GWMS using Blockchain
3. How the GWMS system be evaluated

1.6 Research objectives

1. To identify the attributes and requirements needed to develop an effective garments worker management system (GWMS) using Blockchain technology?
2. To develop the GWMS using Blockchain
3. To evaluate the GWMS performance

1.7 Scope of the study

The scope of the study covers the few garments industries in Dhaka city. The researcher examined the limited garments and identified the challenges to help Dhaka garments

management authority to expand the existing garments sector by transforming the garments worker management system.

1.8 Research Significance

This thesis introduces very new collaborative research on Garments working management system using block chain technology. In addition, we argue that the potential cost savings would be significant versus current costs and ongoing system maintenance of existing legacy IT systems. Blockchain is relatively easier to program and to implement system wide changes in comparison to changes made to legacy IT systems.

2.1 Literature Review

Garments workers (GW) play an important role in the development of garments industries (GI) in Bangladesh. The GW can enhance the growth of the economy if garments worker management system is done using blockchain. However, GI operators face a lack of knowledge on technology and systematic management. This chapter attempts to review some earlier works that have been done. These earlier works are in relation to the objectives to innovate garments worker managements (GWM) application to handle Garments industries.

2.2 Garments Worker Managements

Garments worker management (GWM) is an important part of garments industries and it is defined electronic garments worker management system (GWMS). However there are many way to operate GWM.

3. Research Methodology

This research combines qualitative and quantitative approaches. The data required in this research is the criteria for developing good and effective Garments worker management (GWM). In addition, for secondary data were collected by reviewing the literature. Furthermore, For primary data collected via participatory action research workshop conducted for the garments operators in the capital city of Bangladesh. All the primary and secondary data obtained were used to develop the GWM using Blockchain technology.

4. Discussion on Technology Description and Application

The initiation of blockchain technology can trace its early periods to formation of Bitcoin as a digital crypto currency (Gartner, 2016.). Though, the rise of digital only currencies in current years has taken the attention of the economic industry, the public,

and regulators it remains largely unknown to the general public. The modern technology that aided to launch Bitcoin or 'blockchain' is of specific interest and possible use to a extensive range of manufacturing, including garments-care since of the open source and decentralized nature of the technology (Crowe, 2017).

4.1 Blockchain in Healthcare

Blockchain has prospective to progress healthcare in a number of advanced ways. Some of those instances include a Master Patient Identifier (MPI), autonomous automatic adjudication and interoperability (Accenture, 2016). MPI's offers a single person identifier that can follow the patient in various situations, enabling a more unified and scalable health distribution across the continuum of care providers (as well as possibly beyond healthcare where data would also of relevance) (Renita, 2017). Autonomous automatic settlement would make simpler and lead to e-education how claims or other healthcare dealings are processed between parties. Essentially, blockchain could lead to elimination of the third party thus creating a more e cient process. E-process would use keen contracts across parties that would enable automatic adjudication of claims. Enhancing claim settlement in health care has the benefit of decrease in the incidence of claim fraud that is presently established (Culver, 2016.). All players in healthcare, from providers to payers, would benefit from this reduction in fraud.

4.2 Fraud detection

Fraud detection and extenuation is progressively becoming a policy issue around the globe. Current suggest that the deployment of a blockchain application that utilizes a smart contract and verify able ledger of all service and payment activities could reduce fraud and overpayment that is prevalent in the current fraud detection(Tapscot & Tapscott, 2016). Blockchain could also improve interoperability across systems and organizations. is crucial for progress in our current health ecosystem which consists of a plethora of disparate IT legacy systems that have been amassed over the years and that do not communicate well with each other (Peck, 2015). Blockchain would deliver the capability to replace these disparate systems with a single system that offers interoperability. With the use of smart agreements and fully auditable history, Blockchain would enable peer-to-peer interoperability among members within transactions (PWC, 2015). In addition to offering interoperability, blockchain dealings would also have the benefit of being cryptographically and irreversible thus safeguarding privacy from corner to corner parties.

4.3 E-federal government in

E-federal government can also advantage from the development in blockchain with more rationalized transactions in the supply chain. For example, one of the issues facing Medicaid recipients is high churn due to changing economic qualifications. Blockchain can be helpful to maintain a recipient's individuality as they pivot between di erent gov-

ernments systems in a more seamless way (Swan, 2017). This is would be particularly appreciated if account based plans from the private sector are applied as an option for Medicaid recipients (with hope of reduction in costs and better outcomes (Wons & Mike, 2017). Other government programs would likewise advantage from a more efficient delivery of care across all players within the supply chain, including with private prescription plans.

5. Records Management

The adoption of automated records systems has been a ‘holy grail’ for the education industry Current industry and government reports propose that procedure of electronic business record standards outlined by the 2009 law that has funded much of the industry growth is lagging behind with a good deal of variation in provider adoption rates (Swan, 2017). That facts take on added significant as the Centers for business handle and modern business Services (MBS) begin to tie future funding to provider adoption and ‘meaningful use’ attestation by providers (Wons & Mike, 2017).

6. Benefits Administration

Blockchain technology has the capability to abridge and decrease the cost of services management and administration (Qlnes, 2016). As benefits design, enrolment, beneficiary engagement and provider payment systems have evolved overtime there are the unavoidable and expected problems related with the countless of business information technology systems designed to work together (Kim, 2016). Interoperability has developed a key apprehension and challenge in the development and deployment of the health IT infrastructure. We suggest that the use of blockchain application can assist in dealing with the challenges and allow for numerous systems to work in greater efficiency (Christidis, 2016). Benefits administration includes the use of disparate systems that are deliberate to gather and process data from many sources such as: health care, retail market and garments industries etc.

7. Conclusion

The merits of blockchain are clear, but with any new technology there are questions about correctness and capability. In this research we endeavor to answer questions about the technology adaption through Blockchain, issues of interoperability and special applications connected to the garments industry and related costs. We also talk some of the confidentiality and data safety doubts associated with various departments of garments industries that are inherent in any health IT system. Lastly, we also inspect the strategy implications of organizing blockchain technology and propose additional areas of research.

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The Relationship between Extrinsic Motivators and Local Government Employee Teams' Performance in Iringa Municipal Council, Tanzania

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Abstract

While it appears clear that the choice at the exposure of government institutions has been extrinsic motivation over intrinsic motivation, there is no sufficient evidence to whether extrinsic motivators contribute to higher performance of the employees in the public sector organizations. This study examined the relationship between extrinsic motivators and the performance of employees in Iringa District Council by administering a structured questionnaire over 130 team supervisors. The findings show that changes in any of the three selected forms of extrinsic motivation namely career development initiatives, improving working and employment conditions, and rewards could affect the performance of employees and their teams. However, career development initiatives and improving working conditions could have more significant effect on the performance of employees and teams. One important reason is that career development and working and employment conditions improvement arrangements were within the reach of the teams and their supervisors. On the other hand, rewards implementation could not be feasible without endorsement and approval from the central government and the top management of the council.

Keywords: Extrinsic motivation, employees' performance, local government authorities, Tanzania



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Introduction

The contribution of motivation in the success of organizations may not fairly be overstated. Whether a business enterprise of which the primary concern is making profit or a government department, which seeks to deliver quality goods and services to the public; setting goals and objectives which employees and managers should seek to obtain may not be a success without a feeling among individuals that they have a responsibility for the success of organizations. In this way, motivation is perceived to be major catalysts, which push employees towards attaining the goals in organizational settings (Gómez-Miñambres, 2012) and making the employees feel

happy and desirous to contribute to the success of the organizations (Locke & Latham, 1990).

While it is scholarly consensual that being motivated, or feeling moved to do something (Ryan and Deci, 2000) is a prerequisite for both successful goal setting and employees performance, there is little consensus on what exactly motivates individuals in the organizations. One of the reasons for this caveat has been the elusiveness of the concept itself, which is largely associated with variations on what motivates different employees in the working environments. The scholarship about motivation in working places shows that motivation is a multilevel and multiphase concept, which needs to be approached from different conceptual and theoretical angles (Liang, Wang, Wang, & Xue, 2018). One of the important concepts in connection with these illusions has been the *motivation orientation*, especially the source and trigger of attitudes and goals that drive actions of individuals (Ryan & Deci, 2000). The motivation orientation may broadly range from a personal curiosity and interest in the job and related goals to the intangible or tangible attractions associated with successful accomplishment of the goals by individual employees and teams.

There are those who conceive motivation as largely internal and psychological. Locke and Latham (1996) for instance, look at motivation as an internal force, a self-concept, or a drive for achievement that pushes the employees to identify challenging goals and work to attain them (See also Peters, 2015). Approaching motivation from this conceptual angle makes motivation an inbuilt psychological feeling, which makes the orientation towards the organizations and work differ from one employee to another and thus the need to understand what motivate different employees at individual and psychological level. On the other hand, some scholars perceive motivation as a response to external stimuli in the working environments. While they agree that motivation involves developing a positive psychological orientation towards the job, they emphasize the need to attract and cultivate the motivation of individuals using external means such as rewards and attractive working environments (Ryan & Deci, 2000). These two competing world views makes motivation a dual concept, which is classified into two categories namely intrinsic and extrinsic motivation, which are also attributed to differing motivators generally classified as internal and external motivators.

The literature on motivation in workplaces shows a clear distinction between intrinsic and extrinsic motivation and thus sheds light for existence of alternative choices for both organizations wanting to invest in motivation of employees and researcher who try to assess the effectiveness of these alternative motivation options. The basis for distinguishing extrinsic from intrinsic motivation is the apparent goal that drives the action of an individual. While intrinsic motivation implies doing something because it is inherently interesting or enjoyable, extrinsic motivation implies doing something because it leads into a separable outcome (Ryan & Deci, 2000). Therefore, the fact that difference in the driving goals of the actions largely determine both the quality of outcomes and possibilities of sustaining the attained level of performance under different organizational contexts is not highly contended (Vilnai-Yavetz & Levina, 2018).

While it is clear that motivation is important not only for business organizations but also public organizations, there are little evidence to suggest that extrinsic motivators have significantly contributed to higher performance of the employees, especially in the context of local government authorities in Tanzania. Local governments, unlike business entities or independent departments of the central governments have limited operational and financial autonomy. Therefore, any intervention which is in contradiction with the plans and strategies of the central government is likely to suffer from retribution or financial deprivation (Venugopal & Yilmaz, 2010). Therefore, the choice of effective motivation strategies for local government needs to be thought out carefully. Against this background, this study examined the relationship between extrinsic motivators and local government employees' performance taking Njombe District Council as a case.

Literature Review

The concept of motivation

Man is characterized as a wanting animal whose actions are controlled by the fulfillment of his wants (McGregor, 1960). This means that as human beings, we rarely act if there is no motivation behind human actions. As far as performance of employees is concerned, there must be something either within or outside the employee's that drives them to respond to their job responsibilities in a way they do. This drive is what the concept motivation represents in the theory and practices related to human resources and employment management.

In general terms, motivation can be defined as the force that drives an individual to do something. It can also imply the reason to act or behave in a certain way (Shaun & York, 2006). As also defined by Pardee (1990), from a psychological perspective it is a reason that drives actions, desires, and needs of the people or ones direction of behavior that makes an individual consistently want to repeat behaviour. What drives actions and behaviour can be either within or out of an individual. Internally driven actions and behaviours are said to be driven by internal motivation or intrinsic motivation. On the other hand, when actions or behaviour are caused by external driving force, this force is identified as external or extrinsic motivation (Armstrong, 2009).

When one talks about motivation in working places, it reflects the idea of liking to fulfill ones job or contribute to the attainment of organizational goals and objectives (Locke, 1996). However, clarity is needed when one talks about motivation in the working places since there is a suggested hierarchy of motivating forces which are dynamic and interdependent. For example, while it is claimed that external physical motivators are basic and they must be there to make employees feel safe and fulfill their responsibilities, there is an observation that once fulfilled, the employees will always move up the hierarchy and think about internal motivators such as freedom and participation in decision making (Armstrong, 2009). However, this study was more concerned with external motivators, which must be provided by the employer to attract higher performance of employees and teams in working places (Gupta, 1980). Being the case, despite acknowledging the importance of intrinsic motivation as a way

of sustaining higher performance work behavior among individuals and teams, the assumption was that extrinsic motivation is a necessity. In other words, the attraction to contribute towards fulfillment of organizational objectives is primarily embedded in the perceptions of the outcomes of accomplishing such objectives rather than personal satisfaction and enjoyment, which is associated with the work itself.

What constitutes extrinsic motivation?

In career psychology, extrinsic motivation is taken as the act of doing something because of existence or expectation of an external reinforcement. This implies that there must be an external stimulus that attracts employees to adopt certain job behavior and invest a certain level of efforts aimed at fulfilling the task required of them (Locke & Latham, 1990). 'Reinforcement', generally connotes anything that attracts performance and positive work behavior from outside employees' internal driving forces such as enjoying work, the desire to learn new things, and success dreams (Ryan & Deci, 2000; Vilnai-Yavetz & Levina, 2018). It therefore, includes material and immaterial incentives that motivate employees to do work where employees take actions related to the job not because of the job itself, but the outcome of doing that job on him/her.

There are some common extrinsic motivations that employers use to make employees improve performance in work places. For the purpose of this study, extrinsic motivators are identified and discussed under three categories, especially Career Development Initiatives (CDIs), Working and Employment Conditions (WECs), and Reward for Performance (R4P).

Career Development Initiatives (CDIs)

Career development (and strengthening) is both an internal and external process. While the literature on psychology treats career development as a result of motivation, it is increasingly becoming established that career development is a strong tool for motivating employees (Stumpf; Colarelli; & Hartman, 1983). CID includes a variety of programs, strategies, processes, and practices that employers put in place to support career choices and career decisions that allow employees to grow and succeed. It includes the provision of information available for advancing skills and competences and creating opportunities for employees to pursue and utilize available career growth opportunities and supporting employees personal development efforts (Lerner & Schulenberg, 1986). While the need to advance ones career is internal, external support is highly needed to make an employees and teams move up the career ladder.

Career development initiatives stand as one of the extrinsic motivators when employers intentionally decide to open up opportunities for individuals and teams in working place to develop and work towards attaining their career dreams (Templer & Cawsey, 1999). In this study, career development initiatives is defined as rational interventions by employers that aim at facilitating and supporting employees in the processes of identifying and utilizing short and long terms job and skills enhancement opportunities to fulfill their employment and socioeconomic dreams. It therefore includes both on job and off job learning, training and professional development, and

encouragement of innovations and creativity in the fulfillment of employee's responsibilities.

Working and Employment Conditions (WECs)

Working conditions, closely related to employment conditions refers to the physical and circumstantial environments in which employees carry out their day-to-day job responsibilities. In its broad sense, employment conditions takes into account additional aspects that affects the employment in a particular sector or place such as labour laws and employment standards (Kogi, Phoon & Thurman, 1989). However, something that is common about working and employment conditions is that they both explain the environments and contexts that surround the job and its fulfillment.

While the two are closely related and identified as important extrinsic motivation forces, there is a slight difference between working conditions and employment conditions. Working conditions relate to the physical and social environments in which the job is carried out such as working space, health and hygiene, occupational safety, technology, and workplace infrastructure (MacKay, 1971). On the other hand, employment conditions refer to the terms that regulate the working relationship between an employer and employee in terms of the expectations and obligations of each of the parties (Bartley, Sacker, & Clarke, 2004). Employment conditions are presumed to arise from contractual terms, which both the employer and employee agree to (Benach, Muntaner & Santana, 2007). This may not necessarily be a case with working conditions as they may improve or deteriorated at any time depending on different factors including resources availability or workplace leadership and management. For the purpose of this study, working and employment conditions are generally defined to include the physical and social conditions that affect the process of carrying out the job including both contractual and emergent terms and conditions under which the employees work.

Rewards for performance (R4P)

The term rewards has both a broad and narrow definitions. As used by Bratton & Gold (2017), the broad conception includes career development and improving working conditions as forms of rewards. In a narrow sense, rewards entails only financial and non-financial incentives provided to employees based on their performance (Lawler, 2003). Rewards constitute a significant part of what is recognized as extrinsic motivation in workplaces. There are two forms of rewards, especially financial and non-financial rewards. Financial rewards include financial benefits, which employers provide to individual employees and teams depending on the outcome of their efforts such as bonuses, profit sharing, performance-based gratuities and offers.

On the other hand, extrinsic non-monetary rewards refer to the social rewards with regard to the job, which the employers facilitates. Invitation to a party or dinner event, offering a travel, or creating relaxation and leisure occasions for well performing employees' or teams are examples of performance based rewards. Rewards as used in this study includes financial benefits such as bonuses and profit sharing as well as non-

monetary returns such as recognition for better performance, travel offers, and other material incentives offered to employees as a result of good performance.

What is employees' performance?

Employees' performance is an important measure of the extent to which the efforts of individuals in the organizations contribute to successful attainment of the desired objectives. While it is common in work places to assess the performance of teams, units, or organizations (Armstrong, 2014), the idea of performance is basically measured at individual level (Campbell, 1990). It defines the relationship between what employees can do and what they actually do in workplaces (Murphy, 1990). The idea here is that employees' performance is never standard. It is dynamic where employees should be expected to perform both below and above what they are capable of achieving depending on the efforts on the side of an employer and employees themselves to attain the highest possible levels of performance.

In this study, job performance is conceived as the amount of efforts that employees invest in the job in relation with the expected fulfillment of the goals of individuals and teams in the workplace. It is assumed that job satisfaction and motivation, which depend on the level of motivation by employees and teams determine the extent to which they will contribute to the fulfillment of the performance goals and targets before them (Meyer & Herscovitch, 2001; Sulsky, 1999). Therefore, building highly performing teams in work places requires the managers and supervisors to play a leading role in creating environments for increasing job satisfaction and increasing commitment among teams and individuals.

Relationship between extrinsic motivators and employees' performance

Broadly conceived, the literature on the relationship between motivation and performance does not look at performance as a product of motivation alone. The most basic triggers of performance before one thinks about motivation are the abilities and experiences of individual employees (Murphy, 1995), which may indeed exist without having in place rational motivation arrangements in the working place. Individuals' competences and talents are therefore key for the performance of those individuals and their teams.

The literature on motivation and performance appears to support the view that motivation and performance are related. Motivation is identified as an important prerequisite for building highly performing organizations since it helps organizations to make employees release the potential that exists within them including skills, innovation, experience, and other competencies (Meyer & Herscovitch, 2001; Sulsky, 1999). However, while performance is identified as the end, motivation to perform and satisfaction which explains the attitude of employees and teams towards the organizations, workplaces, and the job itself are identified as the means towards attaining performance as an end (Judge, Thoresen, Bono & Patton, 2001). Therefore, motivation, especially extrinsic motivation which deals with creating environments for motivating employees is a critical factor for realizing higher performance.

Taking into account this nature of relationship between extrinsic motivation and performance, three variables under extrinsic motivation, which are expected to influence the performance of employees and teams were selected for the study. The three variables are Career Development Initiatives (CDIs), improving Working and Employment Conditions (WECs), and Reward for Performance (R4P). The conceptual framework in figure 1 represents the hypothesized relationship between the three selected independent variables (CDIs, WECs, and R4P) and performance of employees and teams, which is the dependent variable.

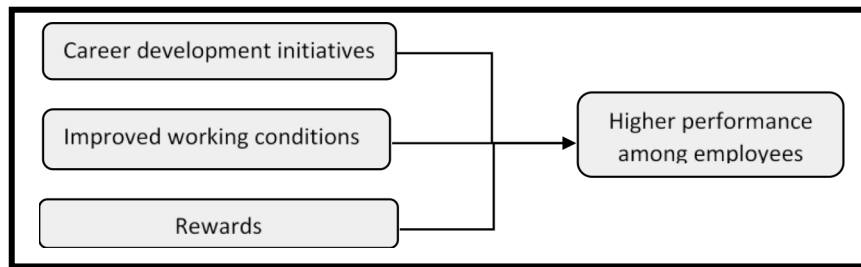


Figure 1: Conceptual framework for relationship between extrinsic motivation and employees' performance

Based on the conceptual framework, the hypotheses that follow explain the assumed relationship between CDIs, WECs, and R4P on one hand and performance of employees and teams on the other hand.

Study hypotheses

The null hypothesis (H₀): Extrinsic motivations are not significantly associated with employees' job performance.

Hypothesis (H₁): There is a statistically significant relationship between career development initiative (CDI) and employees' performance.

Hypothesis (H₂): There is a statistically significant relationship between improved working and employment conditions (WEC) and employee's performance

Hypothesis (H₃): There is a statistically significant relationship between rewards and employees performance.

Methods

The design

This study adopted a cross-sectional analytical research design. A cross-sectional analytical design is appropriate for examining relationship between phenomena as they exist at a given point in time rather than the changes overtime (Creswell et al, 2013). Rather than describing in details, the characteristics of phenomena and their essence, analytical cross-sectional studies focus on whether there is any association between variables, in this case being extrinsic motivation and employees' performance. The choice of the design was mainly based on the intention of the study, which was to test the hypothesized relationship between extrinsic motivation and performance of the employees. The study was limited to a single local government authority, Njombe

district council to control the possible effects of other intervening variables including social and cultural norms, economic endowment, and local administration politics, which may affect the performance of employees in local government authorities.

Study population and sampling

The study targets were local government employees in Iringa Municipal Council. However, to identify the existence of extrinsic motivation efforts and rate the performance, the teams in working places were the focus. Therefore, the respondents had to be team leaders in the working place who were at least at supervisory level. The inclusion criteria was that the institution had to be contactable by phone to make appointment for the visit, had to have a supervisor who had supervised the team for at least one year and thus understood issues related to motivation and the performance of the team.

A total of the 200 institutions, which were delivering primary services were sampled from the five service clusters in the sample. However, only 136 (68%) were physically available during the day of visitation and thus participated in the study. The five service clusters were primary health care (N=54), education (N=53), livestock (N=17), agriculture (N=5), and community development (N=7). A table of random numbers was used to select the required number from each of the clusters who were then contacted to confirm that they could be available during the visit. Respondents who had confirmed to be available during the visitation were contacted three times before they could be dropped from the study. This happened mainly to the respondents in the clusters whose supervision involved field travels and their reachability was limited in most cases.

Design and execution of the study questionnaire

A structured survey questionnaire with 17 close ended questions was developed and used to collect data from the selected respondents. The language of the questionnaire was Kiswahili, which all the participants could understand and speak. The questionnaire was administered by the researcher who asked the questions and recorded the response that the respondents provided. The questions were pretested using seven respondents at the district council to ensure that the questions could be understood consistently after which the revisions were made to make the rating scales consistent. For example, the researcher replaced the rating out of 100 with out of 10 for all the four questions, which needed respondents to rate their teams. This helped to increase the consistency in the rating scales across the variables.

The questionnaire had 12 questions divided into two' main parts. The first part included questions on the demographic identification characteristics of the respondents including gender, age, and level of education, department, and experience of serving in the council and employees' supervision function. The four last questions were included to allow the respondents to rate their teams in terms of having extrinsic motivation efforts and the general performance of the teams, which was done by giving the team a score between one and 10 1 being the lowest and 10 being the

highest. The administration of each questionnaire took between 20 and 25 minutes including the time for establishing rapport.

Data analysis and statistics

The analysis of data started with the coding and entry of the data for processing with the SPSS version 23 statistical package software. The dataset was processed to generate descriptive statistics mainly the frequency distributions, which were manually examined to compare the responses on different study variables. For the purpose of testing the hypotheses, the scores mean scores for each of the variables were calculated and the data were recoded to assign the scores on each of the variables into two categories, especially scoring above the average and below the average. The reject or accept the hypotheses were based on both the proportion between scoring high and low on one hand and the t-test of independence where the critical value for the probability that the null hypothesis could be rejected was $p < 0.005$. The results of the study are presented in the next subsections.

Results and Discussion

Results

The results are presented under three main sections. The first one focuses on the social demographic characteristics of the respondents. The second one provides a descriptive analysis of the scores for the three extrinsic motivation variable as well as performance, which is the dependent variable. The third focuses on the presentation and analysis of the results from hypothesis testing, which employed the t-test of independence.

Respondents' characteristics

This study included 136 respondents who were holding leadership and supervisory positions in different sectors within Iringa municipal Council. Table 1 summarizes the key social demographic characteristics of the study respondents by gender, age, levels of education, departments, and years of experience in their employment.

Table 1: Respondents' social demographic characteristics (N=136)

<i>Variable</i>	<i>Categories</i>	<i>n</i>	<i>(%)</i>	<i>Total</i>
Gender	Male	72	(52.9)	=136
	Female	64	(47.7)	
Age	20 years or less	6	(4.4)	=136
	21-25 years	13	(9.6)	
	26-30 years	19	(14.0)	
	31-35 years	16	(11.8)	
	36-40 years	32	(23.5)	
	41-45 years	31	(22.8)	
Highest education	Above 45	19	(14.0)	=136
	Secondary education	62	(45.6)	
	Diploma level	48	(35.3)	
	University degree	23	(16.9)	
	Postgraduate studies	3	(2.2)	
Department	Health	53	(39.0)	=136
	Livestock	17	(12.5)	
	Agriculture	5	(3.7)	
	Community Development	7	(5.1)	
	Education	54	(39.7)	
Years of experience	5 years or less	21	(15.4)	=136
	6-10 years	58	(42.6)	
	11-15 years	40	(29.4)	
	16-20 years	7	(5.1)	
	20 years and above	10	(7.4)	

The statistical results in Table 1 show that 72 (52.9%) were male while 64 (47.7%) were female respondents, which closely reflected the gender ratio of employment in the district council. The age of respondents ranged from 20 to 50 years with a mean age of 36.672 years. Many of the respondents 63 (46.3%) were aged between 36 and 45. In terms of education, a good majority 110 (80.9%) had either secondary (45.6%) or diploma (35.3%) education. Only 26 (19.1%) had university degree education. In terms of the departments, a significant majority 107 (78.9%) were employed in the health (39.0%) and education (39.9%) departments, which constitute close to 90% of the workforce in the district council. In terms of experience in their employment, the majority 58 (42.6%) had a six to 10 year experience followed by 40 (29.4%) who had an 11 to 15 year experience. Overall, the majority of the respondents had rich experience on motivation and employment conditions in the district council and particularly their working places and teams.

The study also sought to find out whether the differences in the age, education, and working experience of the team supervisors had relationship with the identified performance of their teams. The age of the team supervisors was positively associated with the performance of their teams ($p=0.020$). For example, 74.0% of the teams, which had team leaders who were below 35 years of age were performing below the average while 26.0% were performing above the average. 54.9% of the teams, which had

supervisors who were aged above 35 years against to 45.1 were performing below the average. On the other hand, the team supervisors' level of education ($p=0.130$) and working experience ($p=.565$) were not significantly associated with team performance.

Extrinsic motivation and performance status

The status of extrinsic motivation differed across the 130 studied teams. In terms of career development initiatives, the scores ranged between 1.0 and 9.9 with majority of the teams scoring between 4.8 and 6.5. Majority of the companies 73 (53.7%) scored above the average score, which was 5.77 (out of 10) while 63 (48.3%) scored below the average. The median score was 6.0 with many of the teams, 16 (11.8%) scoring 5.0, which implies that despite being below the average, many of the teams had moderate initiatives.

In case of working and employment conditions, the mean score was 6.182 out of 10. More than half the teams 71 (52.2%) scored below the average while a closely equal proportion 65 (47.8%) scored above the average. Reward for performance, the mean score was 5.132 out of 10. However, there were some slight difference across the teams where 66 (48.5%) of the teams scored above the average while 70 (51.5%) of the teams scored below the average.

In terms of the overall performance of the teams, there were differences across the teams with the lowest score of 3 and the highest score of 10 (out of 10). While the mean score for all the teams was 6.054, which is relatively high, the majority of the teams 85 (62.5%) were below the average and 51 (37.5%) were above the average. The forthcoming sections tests the hypothesis to show the relationship between the three selected extrinsic motivation variables and the performance of the employees in the studied teams.

Hypothesis testing and analysis

Three hypotheses relating to the relationship between extrinsic motivation and employees' performance were tested. The hypothesized relationship was between three selected extrinsic motivators and employees' performance. These were career development (initiatives), working conditions, and rewards for performance. On the other hand, the null hypothesis was that EXTRINSIC motivation is not significantly associated with employees' performance. The t-test statistical was used to compare the mean scores between the teams, which had scored below the average (low performance teams) and those that had scored above the average (referred as high performance teams).

A summary of statistical results is presented in table 2.

Table 2: t-test statistical results

variable	Performance score categories	n (%)	t-value	p-value
CDI	Below the average score (<6.054)	63(46.3%)	-4.078	.000
	Above the average (>6.054)	73(53.7%)		
WEC	Below the average score (<6.054)	71(52.2%)	-4.414	.000
	Above the average (>6.054)	65(47.8%)		
R4P	Below the average score (<6.054)	70(51.5%)	-3.010	.003
	Above the average (>6.054)	66(48.5%)		
CDI=Career Development initiatives, WEC=Working and Employment Conditions, R4P=Reward for Performance				

Hypothesis 1 (H₁): *There is a statistically significant relationship between career development and employees performance.*

The first hypothesis was on the statistical relationship between career development initiatives and employees' performance. The statistical results indicated the existence of statistically significant relationship between career development initiatives and employees performance. The negative t-value as indicated in table 2 shows that there is a reverse in the directionality of the relationship between having in place career development initiatives and the performance of teams. The p-value on the other hand $p < 0.005$ indicates the existence of statistically significant difference between having career development initiatives, which are below and above the average ($t = 4.78$, $p = 0.000$). Therefore, the results show that there is a statistically significant relationship between career development initiatives and performance of the teams, which implies that changes in career development initiatives will significantly alter the performance of the teams and their employees. With these results, the hypothesis that there is statistically significant relationship between career development and employees' performance is accepted.

Hypothesis 2 (H₂): *There is a statistically significant relationship between improved working conditions and employees' performance*

In relation with the second study hypothesis, which was on the relationship between working and employment conditions and employees' performance, the results similarly indicated the existence of statistically significant relationship between working and employment conditions on one hand and the performance of employees ($t = -4.414$, $p = 0.000$). With the p-value of 0.000, the results show that the difference between having a score above or below the average (6.054) is statistically associated with the variations in the scores on the general performance of the teams. With these

results, the hypothesis that there is a statistically significant relationship between the working and employment conditions and employees' performance is accepted. These results indicate that changes that could improve or negatively affect working and employment conditions will necessarily affect the performance of the teams.

Hypothesis 3 (H₃): There is a statistically significant relationship between rewards and employees performance.

The third study hypothesis was on the relationship between rewards for performance and improvement in the performance of employees in the teams. Majority of the teams scored lower than the average score on both reward for performance arrangements and the performance of the teams. However, the statistical results from the t-test indicated existence of statistically significant relationship between rewards for performance and employees' performance ($t=-3.010$, $p=0.003$). The p-value, $p<0.003$ indicates the existence of statistically significant relationship between the differences in reward for performance and the performance of the teams. Based on these results, the hypothesis that there is a statistically significant between rewards and employees' performance is accepted, which means that improvements or deterioration in reward arrangements may significantly cause variations in the performance of the studied teams.

Despite some variations across all the three hypotheses, the results indicate the existence of relationship between the selected extrinsic motivation variables and employees' performance. In the light of these findings, it can be argued that focusing on the extrinsic motivation of the employees is significant for altering the performance of the teams in the work places.

General discussion

The findings have generally indicated that extrinsic motivation is significantly related to the performance of employees and teams in local government authorities. However, it has been demonstrated that investing in career development initiatives could significantly affect the performance of employees and teams. This is probably because career development initiatives and improving working and employment conditions are motivation strategies, which are within the control of the supervisors and their teams (Lerner & Schulenberg, 1986). Apart from the commitment by employers and managers, employees have an important contribution towards successful career development motivation strategies since career development may take varying approaches including employee-centered initiatives (Templer & Cawsey, 1999). In participatory and employees' centered models, the employees are likely to become effective players and leaders of the process who are responsible for self-motivation.

Reward for performance had the least, but significant relationship with performance of teams and employees. This could be an indication that compared to instituting career development programs and improving working conditions, provision of rewards may not significantly alter the performance of employees because of the limited control of the workplace teams on rewards arrangements and their outcomes. As it has been revealed by the previous research by Kloot & Martin (2000) the limited capacity of local

governments to beat the budgets in favor of performance management support initiatives affect the effectiveness of performance management among employees in local governments. This is because implementing reward for performance initiatives need the organizations and their managers to have sufficient resources for providing incentives to employees and teams, which perform well (Melkers & Willoughby, 2005). Resources allocation is an important factor in both extrinsic motivation and performance management without which rewards for performance may not be easy to institute as an extrinsic motivation strategy.

Another explanation in favor of career development initiatives as a way of motivating employees as to do with the constraints resulting from the limited financial and managerial autonomy among local government authorities and their institutions. As Kogi, Phoon, & Thurman (1989) argue, the choice for successful motivation strategies need to take into account the easiness and cost-effectiveness of the strategies in relation with the human and financial capacity of the organization. In situations the workplace teams and their supervisors do not have powers to make decisions and implement decisions related to the provision of incentives to the best performing employees and teams, the reward for performance as an extrinsic motivation strategy may have a limited practicability.

Limitations and future research

There were two main limitations that need to be acknowledged in this study. The first limitation related to limiting the study to a single district. Despite having representation of different sectors from Iringa municipal council, the social, political, and economic contexts of the municipal may not necessarily be similar to other municipal in the country. Therefore, the findings may only provide lessons for related institutions in other municipal, which are similar to Iringa municipal Council. Related to the first, the second limitation concerns the use of quantitative data only, which aided for reaching the conclusion that this study reached. The researcher recognizes that the use of quantitative data abstracted the possibility of generating rich insights based on the lived experiences of the respondents who had for long worked as supervisors of the studied teams. In this respect, it is important to conduct further studies, which should utilize the advantage offered by both qualitative and quantitative methods to explore how the autonomy in decision making affects the capacity of local government institutions to initiate, establish, and implement employees' motivation and reward systems.

Implication and Conclusion

The aim of the study was to examine the relationship between extrinsic motivation and performance of employees in the local government focusing on career development initiatives, working and employment conditions, and rewards. The analysis of the three hypotheses has revealed that changes in extrinsic motivation practices may have significant effect on the performance of both employees and their teams. While the differences in the supervisor's demographic characteristics did were not found to have significant moderating effect on the relationship between extrinsic motivation and performance, investing in extrinsic motivation in the work places has a potential of

improving performance of employees' teams regardless of the differences in the team supervisors competencies and professional maturity.

Based on the results and discussion in the earlier sections, the study concludes that encouraging team supervisors in the local government authorities to employ a variety of extrinsic motivation strategies at their exposure may lead into significant improvements in employees' and team performance. It is therefore imperative to support the capacities of team supervisors in the work place to strategize, plan out, and initiate cost-effective extrinsic motivation initiatives which are within control of their own teams instead of giving priority to strategies and motivation interventions that cannot be implemented without programmed financing and approval by the central government or the council management. Initiatives for encouraging employees to use available career development opportunities and participatory efforts for improving working and employment conditions for individual workplaces and teams appear to be the most feasible option in the quest to using extrinsic motivation to improve performance of the employees in local government authorities.

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Growth or Development? A Sustainable Approach

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Abstract

Economic growth and development are concerns of humankind. Resources are limited but people seems don't care about it as they take unreasonable measures with irreversible effects. Sustainable Development is a necessity to meet the needs of future generations and not only a practice of corporate social responsibility to gain a competitive edge. Challenges are huge, requiring the commitment of all citizens. People should be more informed and aware of the imbalance caused by the yearning for power and economic growth, forgetting the balance of social and environmental dimensions. Big changes are needed from all and it is clear a need of paradigm shifting. Collective shared visions must build new strategies to shape a better world. Concerns related with sustainability began 200 years ago, but what have humankind really done about it? This study looks at this theme from the eighteenth century until today.

Key-words: Education for Sustainable Development; Beginning; Retire; Endless loop; Sustainable Development; Standoff



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1. Introduction

The world is changing, facing catastrophes, wars, imbalances, epidemics and injustices. Complex times without record in history, involving a problem that connects locally and globally environmental, economic, social and technological issues (Harris, 2007).

Humankind should reflect and ponder on the impacts of the interaction of four major driving forces, referred as:

- 1) Geo-economics - regulated by the scarcity of natural resources and dominated by actors with different models of economic and social organization.
- 2) Technological progress - a central constituent in the construction of a new wave of globalization, based on a change of energy paradigm that slows growth limits and stimulates new international forms of organization, activities, network economy and differentiated digital tools.

3) Demographics - diverging between "aging" developed and "young" developing countries.

4) Sustainability - forcing a trade-off to ensure the quality of life for future generations in the economic, environmental and social dimensions.

In the last six decades humanity has become richer and, according to (Sachs, 2002), Gross Domestic Product (GDP) has increased eightfold since 1950. There are about 1,020 million malnourished people and this number is likely to increase if the world community is not willing to face and negotiate the causes of this kind of situation. In recent decades, human economic activity has caused irreparable damage to the planet and there is no guarantee that ecosystems will continue to maintain the capacity to secure conditions for future generations. (UNDP, 2007)

How to face this reality? The economic approach has assumed that the solution is "development". However, the concept of "development" is quite ambiguous (Wolfe, 1996). Most researchers approach economic development as a process that generates economic, social, quantitative, and qualitative changes, which impact the national economy by increasing its real national output cumulatively and durably (Haller, 2012). Since the publication of the Brundtland Report, there have been several attempts to specify exactly the meaning of the term "Sustainable Development" (Pezzey, 1989; Lélé, 1991). The concept remains controversial (Giddings, Hopwood, & O'Brien, 2002; (Barkemeyer, Holt, Preuss, & Tsang, 2011), some of these definitions are "mutually exclusive" (Barkemeyer *et al.*, 2011: 2) and the divergence of meanings and discourses has increased since the term emerged in 1987 (Daly & Cobb, 1990; Reid, 1995; Baker, Kousis, Richardson, & Young, 1997; Sauvé, 1999; Hopwood, Mellor, & O'Brien, 2005; Redclift, 2005; Baker, 2006).

2. Evolutionary perspective

From an evolutionary perspective, concerns about sustainability emerged in the eighteenth and nineteenth centuries (Baker, 2006), through some thinkers expressing apprehension about the scarcity of resources, particularly in what regards to population growth (Malthus, 1798) and shortage of coal as a source of energy (Jevons, 1866). The industrial era revisited the issue, forcing the need to integrate environmental issues into economic policy (Dresner, 2002). In the 1950s, Fairfield Osborne (1953) and Samuel Ordway (1953), respectively, publishing the books "The Limits of the Earth" and "Resources and the American Dream," reemphasized the theme.

Since then, international policy has started to defend a different model of development and in the last five decades, there has been a long journey with advances and retreats around the concerns and policies. Four main distinct cycles may be summarized as Beginning, Retire, Endless loop and Standoff (Figure 1):

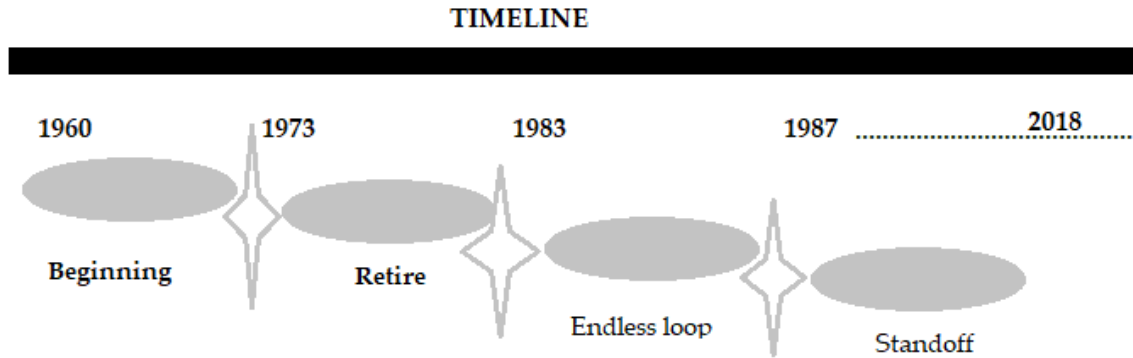


Fig. 1 - Different cycles of development models

2.1. Beginning: 60s and 70s, an expansive cycle

The first period, from 1962 to 1973, was interrupted by the Yom Kippur war in October 1973 which was succeeded by the two oil crises of the 1970s. In 1962 the first alert works about the effects of the economy appeared.

This period was marked by the Vietnam War (1955-1975), the hippie movement and the intensification of anxiety about environmental issues, specifically the health impacts of industrial pollution. The first infrastructures of national environmental policies were launched in Japan (1967), the U.S. and Sweden (1969).

This concern initiated strategies that in some sectors have undergone "zero growth" strategies, especially after the 1972 publication of the Club of Rome report "The Limits to Growth" (Meadows & Meadows, 1974). The report presented some challenging scenarios for global sustainability, based on a computational model of dynamic systems that simulated the interrelationship between five global economic subsystems: population, food production, industrial production, pollution, and consumption of non-renewable natural resources. The scenarios compiled by the Massachusetts Institute of Technology (MIT) team concluded that, if the same trends were to continue, the world would end in one hundred years: ecosystem would collapse; scarcity would arise and a war would erupt.

At the end of this cycle, in 1972, the first meeting on a planetary scale - the United Nations Conference on the Human Environment - took place in Stockholm, with the main purpose of resolving / debating the environmental problems that occurred after the great economic post World War II. Without concrete agreements, this conference had as its main virtue the "explosion" of environmental legislations and international agreements in the areas of nature conservation and pollution control. From these debates emerged the certainty that solutions to global problems are not limited to preventing the deterioration of the physical and biological environment, but also incorporate social, political and cultural scopes such as poverty and social exclusion (Barbieri, 2002).

2.2. Retire: 1973 to 1983, a period dominated by the Oil Crisis and consequent economic instability

The second period, from 1973 to 1983, was a period of retreat from the environmental agenda. It raised an international agenda to combat unemployment, economic recession and energy crises. The argument advocated by Meadows & Meadows (1974) and Meadows, Meadows, & Randers (1991) was reinforced by other reference studies, including "The Entropy Law and the Economic Process" (Georgescu-Roegen, 1971), "Toward a Steady State Economy" (Daly, 1973) and "Steady State Economics" (Daly, 1977) which recognize the absolute limits of economic growth.

The need for increased energy efficiency and conservation, particularly in Europe and Japan, has led to some free and indirect gains for the environment. It is in this context that the term "Sustainable Development" emerges for the first time in 1980 when the International Union for the Conservation of Nature and Natural Resources (IUCN) presented "The World Conservation Strategy", a strategy focused only on ecological sustainability (Baker, 2006). In 1982, the United Nations Convention on the Law of the Sea was signed, and in 1983, for the first time, an environmental Group ("Die Grünen") obtained parliamentary representation.

2.3. Endless loop: 1983 to 1997, a growing internationalization of environmental discourse

This period began in 1983 and lasted until 1997, when the Kyoto Protocol was signed. This was a time with a growing environmental discourse internationalization, with repercussions on legislation and creation of ministries of the environment in all developed countries. In 1983, the United Nations (UN) created the World Commission for Environment and Development.

It was published the Brundtland Report, was published in 1987, and in 1989 the Basle Convention was held to contribute to environmental protection in the field of waste control, specifically, transboundary movements of hazardous wastes and their disposal.

In 1992 the United Nations Conference on Environment and Development (UNCED) was held in Rio de Janeiro in 1992, where the concept of Sustainable Development was established by new and just global partnerships which created new levels of cooperation among States. Also known as Rio-92, this conference produced five important documents: i) Convention on Climate Change; (ii) the Convention on Biological Diversity; iii) Rio Declaration on Environment and Development; iv) Declaration of Principles on Forests; (v) Agenda 21.

Agenda 21 (Chapter 36) is one of the first documents to identify education as essential for achieving Sustainable Development (SD), with Education for Sustainable Development (ESD) emerging as an incentive tool under two complementary perspectives: the first, used to understand the complexities and synergies between issues that threaten the sustainability of the ecosystem; the second, to understand and evaluate their intrinsic values seeking to involve individuals in decision making in the search for a SD.

Finally, to complete this period, the Kyoto Protocol was signed in 1997, in which the signatory countries agreed to reduce the emission of greenhouse gases. The objective was to achieve an average cut of around 5% over 1990 levels, with a deadline to be achieved by 2012 (or more accurately in 2008-2012). The USA did not sign this Protocol.

2.4. Standoff: post 1997, a growing demissionism in US environmental policy

Beginning in 1997, the cycle is characterized by “growing resignation in US environmental policy” (Soromenho-Marques, 2003:12), reflected for example in the Kyoto Protocol (Dresner, 2002) and the reduction of the annual budget voted by the Congress to reduce the environmental liabilities of more than a century of industrialization (Soromenho-Marques, 2005).

The United Nations recognizes that progress made at the level of political discourse has not been effective (Miller & Twinning-Ward, 2005) and in 2000 the Millennium Development Goals (MDGs) were signed by all countries. The World Summit for the SD, also known as the Earth Summit or Rio + 10, was held in Johannesburg, where long and difficult negotiations have took place. Unlike Rio-92, which took place in a climate that favoured international cooperation, only three years after the fall of the Berlin Wall and the end of the Cold War (at a time when the thinking of cooperation prevailed over the logic of the conflict) Rio + 10 took place in an opposite scenario, with a world increasingly marked by conflict and increasing social inequality, both in rich countries and in developing countries.

However, the results of the World Summit on SD were not achieved (Dresner, 2002). Nevertheless, the intense economic activity has enabled the recognition that the SD globally requires policies, procedures and principles defined based on intergovernmental cooperation, as well as the existence of a proactive civil society that verifies, monitors and promotes a campaign for change when confronted with situations of resistance, indifference or official denial (Blewitt, 2008).

In recent years, a new cycle has been established characterized by international awareness of the need to act. Several reports from independent bodies, some natural disasters become more frequent and their link to climate change is perceived. The *media* gradually contributed to sensitizing the population, paying increasing attention to the phenomenon.

In 2007, the Nobel Peace Prize was jointly awarded by the Vice-President Al Gore and the Intergovernmental Panel on Climate Change (IPCC) “for their efforts to build and disseminate greater knowledge about human-induced climate change, and lay the foundations for the measures that are necessary to counteract such changes” (IPPC, Nobel Prizes and Laureates, 2007).

In 2009, the 15th United Nations Climate Change Conference (COP15) was held in Copenhagen, bringing together heads of state from 193 countries, a summit of global leaderships unprecedented in the recent history of diplomacy and with such a high degree of mobilization of civil society.

More recently, and despite intense efforts to prepare for the Rio + 20 conference, the event has also fallen short of expectations. The final document, entitled “The Future We

Want," only mentions that "the formulation of goals could be useful for launching a coherent and focused action on Sustainable Development," with "coherent and integrated objectives in the Development Agenda for United Nations beyond 2015, thus contributing to the achievement of Sustainable Development and serving as a guide for the implementation and integration of Sustainable Development in the United Nations system as a whole" (Rio+20, 2012: 48).

The Aichi-Nagoya Declaration was unanimously adopted in November 2014 based on the results of the United Nations Decade of Education for Sustainable Development (ESD) (2005-2014) and in the deliberations of the Conference and participant meetings held on the 4th to 8th of November in Okayama.

In September 2015, at the United Nations summit in New York, the Sustainable Development Goals were established integrated and indivisible objectives, which balance the three dimensions of sustainable development: economic, social and environmental. The action agenda was extended until 2030, with the goals and targets set to stimulate action over the next fifteen years in areas of crucial importance to both humanity and the planet.

The first Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21), also known as the "Climate Conference", was held in November / December 2015, ending a "historic agreement" on global warming. With a type of Agreement of a different nature than the Kyoto Protocol, the Paris Agreement has allowed for a longer-term architecture, with increased ambition of the commitments by all countries, and their mitigation commitments for commitment future periods.

In November 2016, the 22nd Conference of the Parties to the United Nations Framework Convention on Climate Change (COP22) was held in Marrakesh. 2018 was indicated as the deadline for the beginning of the operation of Paris and, once again, important initiatives and mobilizations were announced by companies, investors, cities and local governments. In the meantime, Donald Trump becomes president of the United States, one of the largest countries emitting greenhouse gas emissions in the world. On June 1st 2017 Trump's new administration announces the US exit from the Paris climate deal, claiming that this decision is the way to give new impetus to the US economy and negotiate a "fair" agreement for the country. Trump, who has expressed doubts that man-made greenhouse gas emissions are the prime cause of global warming, also announced in June that he intended to pull out and instead promote U.S. coal and oil industries (Graham, 2017). The impasse continues, and the world awaits a rethink of the USA positioning. New worldwide actors assume new positions and join efforts to find a real solution, before it is too late.

3. Conclusion

Central concerns on economic growth and development are daily political issues, but no global solutions have until now been really started. Sustainable Development is not only a practice of corporate social responsibility to gain a competitive edge, but is specially a requirement to meet the needs of future generations. The challenges are

giants and the economic dimension cannot overlap with the balance of social and environmental dimensions.

Nowadays we are observing an increasing involvement of countries in the definition of joint strategies and actions, but it is not enough. We are going through a phase of great instability where desirable international cooperation is often called into question, contributing to a continued stalemate. There is a clear need for paradigm shifting and civil society are the kernel for the needed change strategy, with clear and strong perspectives based on identified collective shared visions.

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