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The System of Means for Overcoming the Crisis – Based on an Empirical Examination at Companies in Budapest and Békés County, Hungary

Abstract: The economic crisis started in 2008 had a significant negative impact on employment in most sectors. During the research authors sought the answer to the question which employment systems were applied for overcoming the crisis at companies in Budapest and Békés County. To examine this, the authors compiled the questionnaire in co-operation with the Hungarian Chamber of Commerce and Industry and the Management and HR Research Centre of Szent István University.

The authors' questionnaire findings also provide a proof for the fact that by creating and implementing the suitable human resource management models and by promoting them widely, the changes due to the current economic circumstances will be manageable and the increase in the competitiveness of organizations will be ensured.
One of the ways to decrease the personnel costs is to apply atypical employment forms. This form of employment is becoming more and more popular among employers; yet, despite the achievements, those questioned still prefer traditional employment forms.

Keywords: Atypical employment, Employment, Traditional employment, Human Resources Management, Crisis

Introduction

In most industries the competition in order to improve efficiency and to reduce costs has become stronger, which frequently involves decisions resulting in closing factories and mass redundancies. This is the very reason why human resource management has gained a strategic importance in the life of an organization (Karoliny and Poór, 2010).

Several surveys have been made in order to provide help with meeting the challenges of globalization and developing strategies, employment forms and models as guidelines for company managers (Fodor, Kiss and Poór, 2011). Different methods exist that professional literature acknowledges as means of determining the competitiveness and efficiency of a company. Regarding its focus, in one of the methods, it examines the activities of companies and their conditions; those managed with low costs of labor and effective internal processes are considered successful. Another method finds productivity and profitability indicators of competitiveness; financial performance gains relevance.

In connection with the economic crisis publications appeared in the literature on a kind of crisis in the field of labor law as well (Blanpain, 2008, pp 3–4), which anticipated the disappearance of labor law if it did not adapt flexibly to the new kind of employment system required by the economic circumstances.

Literature overview

According to the viewpoint of Chikán and Czakó (2009), we cannot refer to a company as competitive unless it creates such an additional value with its service or product for the consumers that it would be preferred over its competitors. This advantage can only be ensured by a company in the long run if it reacts to the continuous changes of the economic circumstances with the required degree of flexibility and sensitivity, being the first to adjust to them. According to Parker, as a result of globalization, the world becomes a single commercial market where the flow of money, assets, products, services becomes free and naturally workforce may be replaced and employed in any way (Parker, 1993 quoted by Csath, 2008). During their research, Prahalad and Hamel (1990) found that the dismissal of human resources, reorganization or restructuring the positions do not result in the decrease of corporate expenses or profitability, and neither do they lead to competitive advantage in each case. These necessary actions lead to short term improvement; they cannot create long term values.

When making corporate decisions it must be born in mind that changes must take place in accordance with well-focused processes planned in advance in compliance with the activity, culture and management methods of the company (Anthony, Perrewé and Kacmar, 1993). With this workforce it will be optimally plannable, employees will be trainable in other fields as well, and competitiveness and profitability will be helped by more efficient resource management (Armstrong, 2009, pp. 25–38, 424–443).

In order to increase organizational efficiency, continuous renewal must be ensured; innovation today is inevitable. Competitiveness may only be reached if we can activate our necessary resources at the right time in the right place (Guest, Paauwe and Wright, 2011, Poór et al, 2012a). Our contribution is needed to maintain organizational efficiency by means of human resource management attracting, preserving the suitable colleagues

(Briscoe, Schuler and Claus, 2008) and if necessary making them redundant (Poór et al, 2012b). For the profitable functioning of a company efficiency must be brought in balance with profitability from the perspective of its influential groups (stakeholders). To achieve this, long and short term planning, flexible adaptation to economic circumstances and the efficient management of the workforce meaning one of the most significant costs of companies are indispensable.

On the basis of the research conducted by the International Labour Organization (2015) and the European Commission (2010), the main employment challenges facing managers in connection with ensuring corporate competitiveness can be summarized as follows:

- Global labor markets are worsening there are 200 million unemployed people,
- Job creation rates are particularly low, as typically happens after a financial crisis,
- Youth unemployment has risen sharply,
- The digital transformation is having an even more profound impact on the transformation of our production and consumption methods. These transformations are presenting massive quantitative and qualitative challenges in terms of employment,
- Significant changes in the world of work, in work organization and in worker status,
- We must now be more flexible and able to adapt easily to change.

The European Commission, in its publication entitled „Modernising labor law to meet the challenges of the 21st century" concluded that the modernization of labor law was essential for adaptability to the rapid changes (Green Book, 2006). The European Special Employment Taskforce also dealt with the phenomenon, from their research they concluded that the ~~layer of employees employed by companies was getting further away from~~ the employees who were not employed at all, or only in a manner different from classic employment, which could also be resolved by the moderniza-

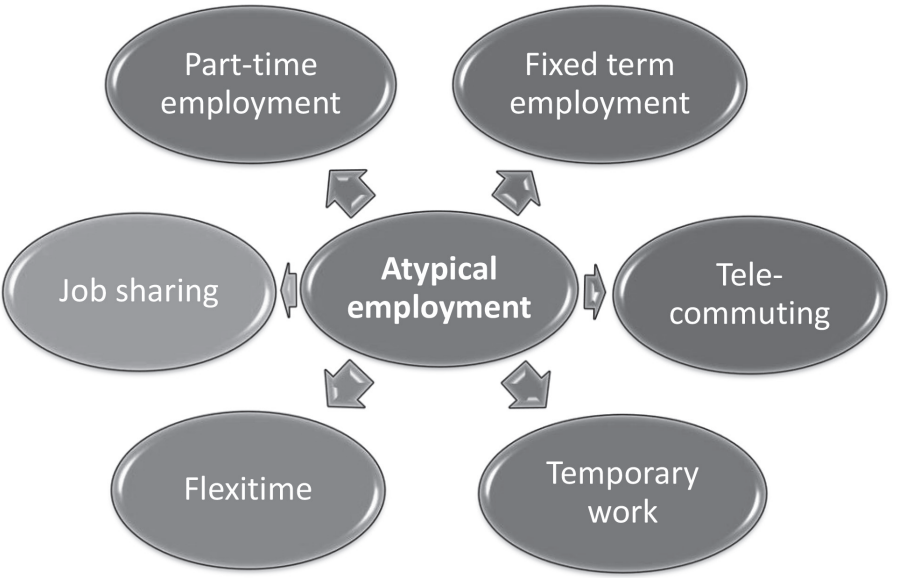
tion of labor law (Wim Kok-report, 2004). Effective workforce management is influenced by such corporate factors as commitment to the corporate culture, loyalty, attitude, confidence, professional knowledge, or refusal to change long-established employment habits (Arthur, 1994, Deakin, 2005, Dyer, 1993). Leading companies, however, know that they need to adapt to constant changes (Bersin, 2013) one form of which is the introduction of different forms of employment (Farr and Tran, 2008, Handy, 1985, Karoliny, Farkas and Poór, 2009).

The use of atypical forms of employment, different from classic employment, less formal, more flexible, with less administrative burden, is seen as a means of recovery from the crisis (Bardasi and Francesconi, 2003, Contreras, 2008).

According to the Definition of ILO (International Labour Organisation), atypical employment is a form of employment that is different than usual, in most cases the parties contract in writing and it is highly protected based on social rights (ILO, 2015).

Atypical forms of employment are, among others, those forms classified as employment, which to a certain extent differ from typical employment (European Commission, 2007). Such difference can be when an employee is contracted for a few months, for a fixed term, or is employed part-time, through a temporary work agency, or using job sharing, or is working from home where appropriate (Gyulavári, 2006, Nienhueser, 2005).

Figure 1. Atypical Employment



Source: Authors' own design, 2017

In the labor market the most common forms of atypical employment include fixed-term contracts and part-time employment (typically for 4 or 6 hours a day). These forms of employment have long been available in the Hungarian labor law, furthermore in terms of regulation they do not differ significantly from classic employment.

Fixed term employment is when a contract is concluded between the parties for a predetermined period of time. On the last working day specified in the contract the employment automatically terminates without a period of notice and the obligation to pay severance pay. Fixed-term contracts may be extended for maximum 5 years with the same employer.

In the case of part-time employment, the employee works less than the classic 8 hours a day, typically 4 or 6 hours a day. This form of employment is especially popular among students and female employees (Kalleberg, 2000).

The regulation of telecommuting and temporary work was included in the Labour Code in 2001 and 2004, respectively, promoting awareness and the use of these two atypical forms of employment, despite the fact that in these cases the difference from typical employment is significant.

In the case of telecommuting the employee does not commute to a site provided by the employer, but works typically from his/her own home. Information technology equipment is essential for the work, which is usually provided by the employer.

Temporary work is when the employing company concludes a civil law contract with a temporary work agency for providing workforce to it under the specified terms and conditions (OECD, 2002). In this case the employer's rights are exercised by the temporary work agency.

Regulations on employment forms are laid down in Act I of 2012 on the Labour Code (NetJogtár, 2016). The main aim of the legal regulation of the atypical forms of employment was to ensure the effectiveness, competitiveness of employers (Wilthagen and Tros, 2004, pp. 166–186), by reducing the payment of public dues.

Observing employment forms, research results

Research goal

In cooperation with the Chambers of Commerce and Industry of Békés County and Budapest, and the Management and HR Research Centre of Szent István University, the authors conducted a survey among economic operators. The basic aim was to identify the recovery from the crisis, and to map the typical employment-business models and new forms of employment common during growth. Thus, among others, to analyses the atypical employment options, that is to study the forms of part-time employment, telecommuting, job sharing, etc.

Review of research method

In this study the authors presented some of the results of their research in 2015, which examines the tools of recovery from the crisis, particularly with regard to cost effective atypical forms of employment. For the survey of the research authors applied a questionnaire method; participation in the survey was voluntary and responders did not have to pay for it. Authors handle personal data confidentially. The quantitative element of the data gathering was provided by the interviewees via electronic questionnaire.

The electronic questionnaire was completed by 141 respondents, the sampling method used was basically the snowball technique, for this reason, among others, and the research could not be regarded as representative. The researchers further narrowed the given sample number and conducted the tests specifically in relation to companies operating in the capital and in Békés county. To some of the questions the replies could be given with the help of a scale ranging from 1 to 5 (Likert-type, that is, agreement scale), which was intended to express significance. In such a case, we asked for the marking of the degree considered appropriate after the assessment of the given statement.

On the basis of this the research sample size was 112 companies. During the research the analytical processes covered univariate and multivariate tests, thus frequency, mean, standard deviation analyses, crosstab-analysis, ANOVA, factor and cluster analysis, etc.

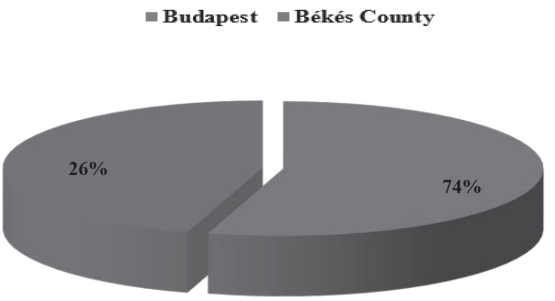
In the followings the research results are presented along the hypothesis formulated by the authors.

Participant statistics

The presentation of the test results starts by specifying the sample. As mentioned above, during the analysis the authors worked with a sample

size of 112 companies. From the companies 83 operated in the capital (74%) and 29 operated in Békés county (26%).

Figure 2. Sampling distribution by operating areas



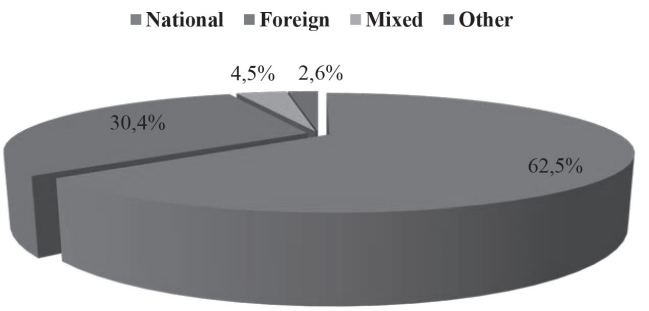
Source: Authors' own research, 2015.

The selection included organizations operating on two areas at very different stages of development. In the analysis of the results, however, it should not be forgotten that companies operating in Budapest were over-represented in the sample.

A wide range of activities were covered: typically industrial (18.8%) and commercial companies (14.3%) were involved in the study, but economic operators in the field of business services (9.8%), the financial sector (8%), public administration (7.1%), health-care (4.5%), IT (5.4%), telecommunications (2.7%), transportation (2.7%), etc. were also represented.

In terms of ownership structure, 62.5% of the test organizations were national, 30.4% were foreign, 4.5% were mixed, and 2.6% were other.

Figure 3. Sampling distribution by ownership (%)



Source: Authors' own research, 2015.

While from the companies operating in Békés county all (100%) were domestically owned, from those operating in Budapest 49.4% were domestic, 41% were foreign, 6% were joint ventures, and 3.6% had other ownership structures.

75.7% of the organizations operated in the private sector, 18.9% of them operated in the public sector, while 5.4% of them operated in other sectors. From the companies operating in Békés county, about one tenth of them operated in other sectors, while almost 90% of them operated in the private sector. From the companies operating in Budapest, one fourth of them were public companies, 70% of them operated in the private sector, and about 4% of them operated in other sectors.

In terms of number of employees, almost 43% of them had less than 50 employees, while 16% of them had more than 500 employees.

50.9% of them were chamber members, in this respect there was significant difference between the companies operating in Budapest and those operating in Békés county, that is in the case of the organizations operating in Békés county this ratio was 71.4%, while in the case of companies operating in Budapest it was 43.9% (Pearson's Chi-square test: 6.328 df: 1 sign.: 0.012 $p<0.05$).

Analyzing the distribution of opinions

In the followings the authors present the test results along proving the following hypothesis:

Hypothesis: From the companies included in the study sample, the organizations operating in Budapest were more inclined to take measures aimed at human resources in order to recover from the crisis than the companies operating in Békés county.

The first question the organizations participating in the research had to answer during the study was what effects recovery from the crisis, growth had on the field of employment at their company. They had to indicate on a 5-point metric Likert scale how typical the effect given by the authors was of their organization. 1 stood for Not at all, while 5 stood for Very much. Table 1 shows the mean and the standard deviation of the answers given to the question:

Table 1. What was the most profound effect recovery from the crisis and growth had in the area of employment at your company?

	N		Mean	Standard Deviation
	Valid	Missing		
Increase in staff numbers	104	8	2,08	1,196
Increase in contract staff numbers	99	13	1,85	1,063
Increasing the number of shifts	99	13	1,26	,708
Increasing the number of workdays per week	99	13	1,19	,634
Increase in salaries	102	10	2,16	,972

We do not plan major changes	100	12	2,29	1,365
Job-cuts will keep on being typical	99	13	1,32	,712

Source: Authors' own research, 2015.

From the data in the table it can be seen that the companies were not really planning major changes, although the mean value is quite low and the standard deviation is quite high, which shows that the sample was very heterogeneous on this question. It is clear, however, that typically no further downsizing was planned, and this shows one of the lowest standard deviation values. For further study the variables were compressed, that is the authors formed factors from the test statements. The KMO-Bartlett's test result was between medium and appropriate: .685 appr. Chi-square: 97.39 df: 15 sign.: .000. The explained variance was: 58.453 %. One variable was not suitable for factor formation: „Job-cuts will keep on being typical", therefore this was omitted by the authors.

Two factors were formed, which on the basis of factor weights were named as follows:

1) Measures in the field of human resources
2) Measures in the field of work organization

Using the above two factors, clusters were formed with the k-means method for the purpose of determining whether based on these the sample can be divided into homogenous groups. The cluster centers are summarized in Table 2:

Table 2. Cluster centers

	Cluster	
	1	2
REGR factor score 1 for analysis 3	-,03074	,21517
REGR factor score 2 for analysis 3	-,33702	2,35916

Source: Authors' own research, 2015.

On the basis of the cluster centers the groups were named as follows:

1) Group detecting and having little effect
2) Group detecting and having active effect

It was further studied whether there was any connection between the grouping and the geographical location of the companies. The Chi-square test did not show a significant correlation. Pearson's Chi-square test: 2.743 df: 1 sign.: .098 p>0.05. The crosstab data showed that from the companies operating in Békés country 100% belonged to the first cluster, while from the companies operating in Budapest "only" 85%, while 15% of them detected and took measures in the fields of employment and work organization. Naturally, it should not be forgotten that downsizing, as a further option, was not included in the factors.

The next question was about what measures the tested companies planned in the field of employment in order to exploit the effects of recovery from the crisis, growth. Similarly, to the first question, the respondents had to indicate typicality on a 5-point Likert scale. 1 stood for Not at all, while 5 stood for Very much. Table 3 shows a summary of the results of the answers:

Table 3. What measures are planned in the field of employment in order to exploit the effects of recovery from the crisis and growth?

	N		Mean	Standard Deviation
	Valid	Missing		
Nothing needs to be done	88	24	1,67	1,047
Increasing atypical employment	93	19	2,01	1,068
Employing cheaper workforce than before	95	17	1,71	1,051
Outsourcing	90	22	1,72	,948
Eliminating wage freeze	90	22	1,99	1,268
Eliminating job cuts	89	23	2,31	1,458
Technical development; purchasing machinery	98	14	2,67	1,242
Product development; producing new products	96	16	2,83	1,412
Increasing organization efficiency	99	13	3,64	1,156

Source: Authors' own research, 2015.

The answers showed that the companies focused on measures improving organizational effectiveness, with technical and product development. They clearly knew that they could no longer avoid these issues, fail to react to the changes in some way, even by considering the option of increasing atypical employment. The ending of downsizing shows a higher than average value in terms of typicality, but response heterogeneity is the highest.

The variables were compressed into factors for the purpose of reducing the number of variables. The KMO-Bartlett's test result was between the medium and low value: .584, appr. Chi-square: 147.397 df: 36 sign.: ,000. The explained variance was: 59.986%. 3 variables were formed, which were as follows:

1) factor Developments (in the technical field)
2) factor Developments (in the human field)
3) factor Developments (organizational effectiveness)

Using the 3 factors, 2 clusters were formed (with the k-means method), with the following cluster centers:

Table 4. Cluster centers

	Cluster	
	1	2
REGR factor score 1 for analysis 2	-,47101	,87223
REGR factor score 2 for analysis 2	,10728	-,19867
REGR factor score 3 for analysis 2	,33162	-,61411

Source: Authors' own research, 2015.

The clusters were named as follows:

1) Group focusing on organizational effectiveness and human development
2) Group focusing on strong technical development, with weak organizational and human development

There was no significant correlation between the grouping and the geographical location (Pearson's Chi-square test: .123 df: 1 sign.: .726 p>0.05), from those operating in Békés county 60%, while from those operating in Budapest 65.7% belonged to the 1st cluster.

In the followings the view of the respondents on atypical employment was studied. Those participating in the research had to determine with respect to some statements how much they agreed or disagreed with each statement. 1 stood for Strongly disagree, while 5 stood for Strongly agree on a 5-point Likert scale. Table 5 shows the results of the answers:

Table 5. Views on atypical employment

	N		Mean	Standard Deviation
	Valid	Missing		
I am not aware of atypical forms of employment and I cannot deal with them now.	96	16	1,97	1,269
We have applied it but the experiences were not good.	92	20	2,12	1,004
I know it, but we do not want to change our currently established employment regime.	95	17	3,04	1,383
I have heard about it, but in our company there is no employment case that could be solved by atypical employment.	96	16	2,25	1,346
Basically, managers accept the traditional employment model better than any form of atypical employment.	96	16	3,23	1,440
We are quite willing to employ disadvantaged labor force.	94	18	3,14	1,113
There are institutions that provide information/assistance in the field of atypical employment.	94	18	3,23	1,149
Persons hired after persistent unemployment must be employed in the same work schedule as the rest of the employees.	94	18	3,69	1,312

There are activities at my company that do not require that the employee be present in the workplace.	94	18	3,26	1,135
I like working with manpower lending companies.	92	20	2,57	1,320
As I see it, my employees would be willing to work in some form of atypical employment.	95	17	2,93	1,187

Source: Authors' own research, 2015.

The respondents were more or less familiar with the atypical forms of employment, but were typically more open to the traditional forms of employment. Managers were also still more committed to the non-atypical forms, despite the fact that they knew that there are institutions that can provide information/assistance in the field of atypical employment. The views were not significantly influenced positively in the direction of non-traditional forms of employment even by the fact that most of them had no bad experience with atypical employment.

It was analyzed with the ANOVA test whether there was a difference depending on the location of the particular companies. Table 6 shows the ANOVA results:

Table 6. ANOVA results (p=0,05)

		Sum of Squares	df	Mean Square	F	Sig.
I am not aware of atypical forms of employment and I cannot deal with them now.	Between Groups	5,667	1	5,667	3,618	,060
	Within Groups	147,240	94	1,566		
	Total	152,906	95			
We have applied it but the experiences were not good.	Between Groups	,932	1	,932	,924	,339
	Within Groups	90,753	90	1,008		
	Total	91,685	91			
I know it, but we do not want to change our currently established employment regime.	Between Groups	,011	1	,011	,006	,941
	Within Groups	179,821	93	1,934		
	Total	179,832	94			
I have heard about it, but in our company there is no employment case that could be solved by atypical employment.	Between Groups	7,500	1	7,500	4,286	,041*
	Within Groups	164,500	94	1,750		
	Total	172,000	95			
Basically, managers accept the traditional employment model better than any form of atypical employment.	Between Groups	,934	1	,934	,448	,505
	Within Groups	196,025	94	2,085		
	Total	196,958	95			

We are quite willing to employ disadvantaged labor force.	Between Groups	2,043	1	2,043	1,661	,201
	Within Groups	113,159	92	1,230		
	Total	115,202	93			
There are institutions that provide information/ assistance in the field of atypical employment.	Between Groups	,119	1	,119	,089	,766
	Within Groups	122,732	92	1,334		
	Total	122,851	93			
There are activities at my company that do not require that the employee be present in the workplace.	Between Groups	,707	1	,707	,408	,524
	Within Groups	159,346	92	1,732		
	Total	160,053	93			
Persons hired after persistent unemployment must be employed in the same work schedule as the rest of the employees.	Between Groups	15,465	1	15,465	13,627	,000*
	Within Groups	104,407	92	1,135		
	Total	119,872	93			
I like working with manpower lending companies.	Between Groups	18,737	1	18,737	12,056	,001*
	Within Groups	139,872	90	1,554		
	Total	158,609	91			
As I see it, my employees would be willing to work in some form of atypical employment.	Between Groups	11,201	1	11,201	8,589	,004*
	Within Groups	121,283	93	1,304		
	Total	132,484	94			

*significant at the 0.05 significance level

Source: Authors' own research, 2015.

In the case of the four variables marked with an asterisk there was a significant difference between the companies operating in Békés county and those operating in Budapest. In the case of the statement „I have heard about it, but in our company there is no employment case that could be solved by atypical employment". The mean value of those operating in Békés county was higher, while those operating in Budapest typically agreed with the other three statements. It should be the subject of further research how these results are influenced by the stage of development of the particular area. As mentioned above, companies operating on two areas at very different stages of development were studied. The present research did not study the partial effects of the factor of economic development.

Table 7. Mean and standard deviation results

		N	Mean	Standard Deviation	Std. Error
I have heard about it, but in our company there is no employment case that could be solved by atypical employment.	Budapest	80	2,13	1,277	,143
	Békés county	16	2,88	1,544	,386
	Total	96	2,25	1,346	,137
We are quite willing to employ foreign citizen.	Budapest	80	3,43	1,053	,118
	Békés county	14	2,29	1,139	,304
	Total	94	3,26	1,135	,117
I like working with manpower lending companies.	Budapest	78	2,76	1,311	,148
	Békés county	14	1,50	,760	,203
	Total	92	2,57	1,320	,138

As I see it, my employees would be willing to work in some form of atypical employment.	Budapest	80	3,08	1,178	,132
	Békés county	15	2,13	,915	,236
	Total	95	2,93	1,187	,122

Source: Authors' own research, 2015.

Summary

The precondition of the success of a company is to create value and ensure efficiency with the structure of its processes and that of the company. In reality, a company can be successful if its customers have become committed to its product or service. With the strengthening of globalization, during the examinations of competitiveness, the international approach gained greater emphasis; besides traditional trading, technology and capital, the flow of workforce are given a more significant role. One way to survive such economic recession is to rationalize the staff and personnel as the cost on labor is one of the heaviest burdens for enterprises. As a result of the economic crisis, the firms tried react to changes and adapt to the new circumstances. For employers the renewable forms of employment ensured the preservation of competitiveness. By contrast, for the employees the new legal framework provides a lower degree of labor and salary security, lower standards of work conditions and limited legal guarantee.

The particular study presented some results of a research conducted in 2015. The basic aim of the study was to learn about the employment policy of organizations operating in Budapest and in Békés county following the economic crisis, with special regard to the atypical forms.

In the light of the analyses it can be concluded that the hypothesis formulated by the authors is partially acceptable. The results show that most of the organizations operating in Budapest focused on organizational effectiveness and human development, although this was also typical of those operating in Békés county. In the case of about one seventh of those

operating in Budapest, however, several measures were actively planned, while in the case of those operating in Békés county this was less typical. The organizations were more or less familiar with the atypical forms of employment, but in Békés county the companies stated that there were few opportunities for non-traditional employment, and it is no coincidence that there was less incentive for these solutions, as the employees were not so open to these versions either, compared to those working in Budapest.

The authors' questionnaire findings also provide proof for the fact that by creating and implementing the suitable human resource management models, and by promoting them widely, the changes due to the current economic circumstances will be manageable and the increase in the competitiveness of organizations will be ensured.

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Succesfull International Negotiations

Abstract: Today's concept of economic globalization is predicated and centered around a sustainable development various economic systems which focus on their ability to achieve the best possible results today without jeopardizing the ability of national economies to meet their needs in the future. Beginning with the fact that globalization has become a pre-requisite for most companies today, regardless of its size or scope of operations, I will, in this paper talk about the theoretical issues that surround globalization of an economy, different types and stages of international transactions and the business communications that go on within these internationalization stages.

Keywords: international negotiation, cross-cultural negotiations, global negotiations

Introduction

Development of International business is now becoming a requirement for firms to exist, notwithstanding its size or scope of operations and this implies that internationalization and globalization will make up the core

features of the today's world. The process of internationalizing business operations, which is known as the carrying out of such business activities across one's national borders is not a new trend in today's global economy.

Irrespective of the company's size or breadth of operations, global business development has become a pre-requisite for most businesses to exist; hence their business strategy must put into consideration the need for globalization. Today's modern society has evolved into one which is characterized by increased rights to freedom of expression tends to avail most entrepreneurs an array of practical integration options in both the European Union and the worldwide community as regards foreign trade.

International negotiation

This area has proven to be one of the most challenging aspects to most managers during international transactions. International negotiation can be very hard and complicated because it involves two countries that are guided by separate laws, rules and regulations, standards, business ethics and most importantly, differences in culture (Chmielecki 2010). It is quite expensive to enter into foreign markets.

According to Druckman (Druckman 2001, p. 520), "The process of negotiation is dynamic, and its results develop from patterned exchanges between constituencies and their chosen negotiators". Negotiation is a process for managing disagreements with a view to achieving the contractual satisfaction of needs (Chmielecki, 2010). Negotiation is a tool for social interaction used in arriving at an agreement between two or more parties that have their own very important individual agenda or interests (Chmielecki, 2017). With negotiations that involve different cultures, the situation is a bit more complicated, and this is due mainly to their diverse cultures, communities, communication patterns, political environments, philosophies, and traditions or customs (Chmielecki, 2012). In international business, studying cross-cultural negotiation has become very fundamental.

All misunderstandings normally have an element of interpersonal communications, wrapped around the cloak of culture. It is also important to point out that the amount of impact that culture may have depends on the persons involved as no two individuals from the same country, section religion, gender, or socio-economic class will have the same disposition and attitudes towards their cultural inclinations (Chmielecki, 2015).

We happen to be a lot more aware what influence cross-cultural differences can have on international negotiations and that different cultures require different negotiation tactics. There is ample verifiable evidence that points to the fact different cultures have different negotiation techniques [Adair, Brett, Okumura, 2001]. Every country's negotiation style is mostly as a result of her culture, history and several other factors. Those involved don't only experience a difference in language or clothing but also encounter diverging views on the global definition of aims and objectives of a business and also what drives motivation.

Features of successful international business negotiators

A broad review of the subject matter resulted in the development of different preliminary questionnaires which tried, though at uneven rates of success, to unravel the characteristics of an effective cross-cultural negotiator. As new discoveries on the subject were made and as its authors were undertaking practical international negotiations, these questionnaires were reconstructed to reflect these discoveries.

Effectiveness

Successful international negotiators appreciate and know how to effectively apply the decision-making techniques of the particular country they are dealing with. The negotiators blend easily with different nations' en-

trenched norms and practices. They can very quickly adjust their tactics to suit the current situation, doesn't matter if they are dealing with non-industrialized nations whose decision-making structure are more centralized or with industrialized countries with decentralized decision making. These skilled negotiators understand the major procedural differences that exist within each group, and they know how to handle them.

For instance, Germans frequently adopt the use of committees made up of technical experts to process their decisions. French executives are more concerned about long-term objectives and seem to assume a more centralized approach to decision-making, implying that it takes a longer time before they arrive at a decision. They are also very receptive to conflicts that may arise during the process of negotiation – while there are so many others like the US and Japan who are usually not comfortable with these type of conflicts.

Taking another example, Mexicans are more disposed to a centralized structure and for them, the personality of the decision-making authority would have a huge impact on the entire process. More precisely, the mantle of authority in a Mexican company rests more on the individual than on the job title or position. Likewise, there seems to be lacking some form of technical competence with negotiators from these nations (even with those that are enlightened from those industrialized countries). For underdeveloped countries, two major problems they deal with are their host governments and process delays. For instance, for most of them, their national governments are mostly worried about bringing in economic advantages without the accompanying political backlash received from opposition politicians and pressure groups. They are also interested in embezzling as much as they can above the average rates as expected by the MNC in the way of taxes, shared earnings, or exchange transactions that help retain excess money within the nation. Another area of concern is with process delays. For example, negotiating a business deal in Asia and Latin America takes a much longer time than in the US. Negotiators from these fast-paced nations tend

to feel that the slower negotiating nations are just deliberately being misleading (TOS). They are not aware that for most highly centralized countries, it takes time for decisions to pass through its several bureaucratic layers.

Flexibility

Successful international negotiators are easily adaptable to even the most unusual situations, like bribery, and they handle the problems in the contexts of that country's indigenous traditions. For some cultures who frown at corruption, gestures like gift-giving or dolling out payoffs don't sit very well with them, and there are other nations who would view the same practice differently. Certain people who visit the USA for the first time from other nations think that American's maintain a double practice when it comes to issues of bribery. These visitors are usually indifferent about tips, giving bribes to make waiters not spill coffee on a customer, or at airport skycaps – giving bribes so that your luggage is not lost or offering foreign inspectors bribe. Western negotiators who are governed by the Foreign Corrupt PracticesAct (mostly those in the USA) believe in abiding by market regulations and competing fairly as regards price, quality, and service. There isn't any room for gifts and payoffs. Sometimes, these negotiators storm out of negotiation talks in third world nations where they seem to imply giving of bribes (which by the way is standard practice to them). These negotiators seem not to appreciate the three connected traditions that try to explain the relevant cultural background of these payoffs and kickbacks in these third world countries: these traditions include (1) the inner caucus, (2) preserving a culture of future gestures, and (3)exchanging gifts. Heiba (1986), Fadiman (1986), and an unknown Trips magazine author (1988) have talked about other facets of bribery. We will now talk about the three connected traditions: More communal cultures seem to be more inclined to dividing society into various classes like; the people who are in the inner circle (i.e. those they are directly dealing with) and those in the outer circle (strangers,

unfamiliar faces). These types of societies limit their social and business dealings to only those whom they know (i.e. those in the inner circle). For instance, someone in the inner circle may be told to employ only workers who come from a specific region in return for reliable labor.

Inner Circle members rejuvenate their relationships by giving and receiving favors. Japanese refer to this as giri or inner responsibility; Kenyans refer to it asuthoni, or inner friendship; Filipinos refer to it as loob, or inner debt and so many other terms for so many other nations. Based on this system, the belief is that anyone who owes a favor to another person or group is supposed to repay those favor at one point in the future. Repaying these favors automatically leaves the other person or group in debt of a favor to be repaid in the future creating an endless loop of giving and taking of favors.

Non-Westerners are often more concerned with building longer-term business and personal relationships in rather than the giving or taking of gift items. Gifts are used to display feelings of both affection and the intention to maintain a friendly business relationship for a long time. Their belief is that: Gifts are ideal for building social bonds and obligations with non-attached Westerners who are majorly interested in discussing business during business proceedings.

Hence, for trust to be established in the relationship, it is important that a sense of obligation is imbibed in the Westerner.

Proficient international negotiators know and appreciate these three traditions. They operate effectively within non-Western business partners inner circles and take part fully in the giving and receiving of gifts and favors. Due to this, they are normally treated more favorably during business transactions; they are granted access to somewhat secret networks of business contacts and lobbyists; and as they continue to practice these contractual obligations in the context of their local culture, they tend to gain the trust of the people more and more.

Individual Stability

Successful international negotiators are usually very stable, feeling secured and confident that they can weather any storm that arises on the job. There is a higher likelihood of achieving success when negotiation is with foreigners than with fellow citizens. Proficient international negotiators are usually so internally secure that they don't seek the approval of other people. They understand that trying to gain others' approval leaves them vulnerable and they also try not be too accommodating or patronizing to foreign negotiators too else they will be taken advantage of.

Tolerance

Successful international negotiators patient and accommodating even with ambiguous situations and TOS, notwithstanding the immense pressure. Most Westerners see eastern nationals as enigmatic, and part of the challenge they face when they negotiate with Asians is their untapped ability to speak and express feelings and thoughts. Societal limitations, like the regulations that guide saving face and they, have been impeded by the autocratic tone of some cultures like that of China's Confucian tradition. More specifically, many negotiations done in America with which we have acted in consulting capacity have revealed hoe the Chinese tend to be a bit more secretive with what their actual aims and objectives are, even though a lot of time has been wasted getting past the introductory stages. Foreign negotiators who are not armed with these guidelines about the Chinese and what they look out for may just be swimming in very dark waters and have less persuasive proposals. Pye (1992) has also reported similar finding. However, skilled international negotiators are adamant even when the situation is ambiguous situations and are patient until TOS become ready to share very important information. Proficient negotiators are aware that TOS are unlikely to reveal this information until they are

convinced that their business counterpart has deserved to know TOS's main objectives. Proficientnegotiators also display calculated patience, especially when the parties involved in the negotiations are trying to arrive at a final decision. They are cautious enough to create ample additional time within their schedules to create room for bureaucratic delays, postponements, and extended TOS deliberations.

Summary

Dedicating enough time, energy and resources to understand good international negotiation skills is critical to every organization. These days, more and more companies seem to be expanding their operations across international borders and so cannot ignore the impact cultural differences may have. Notwithstanding their size or scope of operations, most companies seem to be falling into the same pit holes when entering into foreign markets. This common pit hole is that these companies approach these unknown markets just as they would approach their own indigenous markets. (Artopoulos et al., 2011).

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Diversity Challenges and Organizational Cynicism: A study on Egyptian Physicians

Abstract: As a result of globalization and interactions of people with various identities, cultural diversity has become a noticeable norm in today's business life. Accordingly, managing such cultural diversity requires a dependence on a much more tolerant culture in which employees seek to attain both career and organizational objectives without being hurdled by irrelevant factors of religion, race, ethnicity and so on. During the last two decades, organizational cynicism has found a place in academic management literature. It has a vital role in interpreting many organizational unwanted behaviors such as: absenteeism, day dreaming and the state of being careless when doing work. This study investigates the association between cultural diversity challenges and organizational cynicism dimensions by conducting a quantitative study of physicians in Kasr El Eini public hospital in Egypt. Upon using correlation and regression analysis for the collected data, it appears that not all cultural diversity challenges have a negative impact on organizational cynicism dimensions.

Keywords: cultural diversity; communication; discrimination; training; organizational cynicism; Egypt

Introduction

Owing to globalization, local and global uncertainties and interaction among people from different origins, backgrounds and beliefs, cultural diversity has become a rising trend than ever before (Devine, Baum, Hearns & Devine, 2007 and Mazur & Bialostocka, 2010).

Since 1960, the concept of cultural diversity has gained a currency in the academic research arena. This happened as a result of the adoption of some affirmative actions promulgated by the US government to eliminate the racial discrimination existed in organizations and universities (Tereza & Fluery, 1999). Reportedly, initial efforts to address cultural diversity have focused mainly on gender and race (Morrison, Lumby & Sood, 2006). However, and as a response to the social, political, educational and economic changes occurring in both the local and global environments, the term "cultural diversity" has markedly expanded to include gender, race, religion, ethnicity, income, work experience, educational background, family status and other differences that may affect workplace (Heuberger, Gerber & Anderson, 2010).

Cultural diversity refers to the co- existence of people representing various group identities within the same organization (Humphrey, Bartolo, Ale, Calleja, Hofsaess, Janikofa, Lous, Vilkiene & Westo, 2006). Kundu (2001) indicates that diversity requires an inclusion of all groups of people at all organizational levels. The issue that requires a tolerant culture in which each employee can utilize his/her full capacity to attain his career aspiration without being hurdled by religion, ethnicity, name, gender or any other irrelevant factor (Alas & Mousa, 2016). That is why Cox (1994) clarifies that any effective management for cultural diverse groups should entail the attainment of both individual outcomes (job satisfaction, job mobility, job involvement and fair remuneration) and organizational outcomes (attendance, turnover, cynicism, performance and consequently profit).

In a different perspective and owing to the fact that human resources are the most valuable assets an organization relies on to survive (Qian &

Daniels, 2008), employee-organization relationship has found a place in business literature over the last thirty years (Aydin & Akdag, 2016). Accordingly, many studies have focused on organizational behavior aspects such as organizational cynicism, organizational citizenship behavior, employees' inclusion, involvement and so on (Johnson & O'Leary- Kelly, 2003; Naus, Ad Van Iterson & Roe, 2007; Mousa & Alas, 2016).

Organizational cynicism is a primary organizational issue that has recently gained popularity in business literature as a result of the cut-throat competition and subsequently the excessive amounts of stress an employee may face (Yasin & Khalid, 2015; Nazir, Ahmad, Nawab & Shah, 2016 and Khan, Naseem & Masood, 2016). Organizational cynicism describes negative attitudes employees have towards their colleagues, occupations and organizations (Delken, 2005; Kocoglu, 2014 and Simha, Elloy & Huang, 2014). Admittedly, cynical employees believe that the organizations they work in lack principles of equality, sincerity, honesty, integrity and transparency (Ozler & Atalay, 2011). Accordingly, cynics have feelings of distrust, hopelessness, insecurity and disturbance (Khan, 2014).

Kaifi (2013) affirms that cynicism provides interpretation for many organizational phenomena like organizational psychological withdrawals; employee's mental departure from work duties by day dreaming or cyberloafing; and also organizational physical withdrawal; employee's physical departure from his workplace by absenteeism or late arrival to work. This may provide a reason why many studies have devoted considerable interest in examining the relationship between cynicism and other organizational behavior aspects such as job stress (Kocoglu, 2014), job burnout (Simha, Elloy & Huang, 2014), organizational commitment (Tukelturk, 2012), work related quality of life (Yasin & Khalid, 2015) and turnover intention (Nazir, Ahmad, Nawab & Shah, 2016).

Apparently, the topic of organizational cynicism has become of great importance for many scientific disciplines like sociology, psychology, philosophy, political science and management in many if not all West-

ern countries. However, this topic has not been paid its due attention in Egypt and other Arabian countries. That is why the author of this paper has chosen to focus on it.

Kasr El Eini is the first and largest governmental medical school and hospital in Egypt. (http://www.medicine.cu.edu.eg). It was established in 1827 in a region called El Manial Island, Cairo. According to its website, Kasr El Ein includes 2773 medical professors and physicians, 3732 post-graduate students, and 9423 students. This medical school and hospital have the mission of graduating quality physicians capable of implementing various levels of health care practices. The school and hospital management are concerned about the development of a competitive human capital that would serve the community and share in solving national health problems.

Kasr El Eini is currently the focus of the media, politics, and public discourse because of the many difficulties that both physicians and patients face. The majority of its physicians are facing the problem of low involvement and low participation. A famous Egyptian newspaper and website called al3asma has published an investigation to explore the aspects of this dilemma (http://www.al3asma.com/40137). Many Kasr El Eini physicians claim that besides their low salaries, the hospital is full of managerial corruption, bias, inequality and nepotism (http://www.albawabhnews.com/2419159).

Owing to the fact that Kasr El Eini is the main destination for Egyptian low and middle income families (http://www.elwatannews.com/news/details/1255899) and that the increase of physicians' anger is an undisputed fact that may hinder their performance, engagement and loyalty, this research seeks to fill in a gap in management literature by examine the relationship between cultural diversity challenges (communication, discrimination and training) and organizational cynicism dimensions (cognitive, affective and behavioral) in the context of Kasr El Eini school and hospital.

Literature review

Cultural diversity

Given the desire to ensure a fair representation for minorities such as women, Hispanics, Indians and also handicapped people, research about cultural diversity started in the USA by the end of 1960s (Zanoni et al., 2009). The first studies about cultural diversity were aiming to control the racial discrimination existing in organizations and teaching places as a step towards cultivating the social coherence inside American enterprises (Dogra, 2001). In 1986, Canada did the same by launching the employment equity act program which was seeking to enhance a fairer employment system, understand the constraints faced by ethnic minorities and women in the workplace, and also ensure a fair numerical representation of minorities in different Canadian organizations (Agocs & Burr, 1996). It is needless to say that many other countries like Malaysia, India, Britain and South Africa acted in the same way by facing the cultural discrimination existing in both their public and private businesses (Jain, 1998).

Before examining the meaning of cultural diversity in this research, it is preferable to identify in more specific terms the meaning of culture and diversity. Culture means "the collective programming of the mind that distinguishes the members of one group or category of people from another" (Hofstede and Hofstede, 2005, p.28). The concept diversity refers to "the state of being different or varied. The term is derived from the root "divers" or "diverse" which in turn is derived from the Latin *"diversus",* meaning: "turned in different directions" (Sinclair, 1999 according to Vuuren et al., 2012).

According to Vuuren et al. (2012, p. 156) cultural diversity is "the differences in ethnicity, background, historical origins, religion, socio-economic status, personality, disposition, nature and many more". Moreover, Heuberger, Gerber and Andersson (2010, p.107) defined it as "many types of differences, such as racial, ethnic, religious, gender, sexual orientation, and

physical ability, among others". The concept of cultural diversity has been referred to as "a source of sustained competitive advantage derived from a large pool of resources, ideas, opinions, values, and resulting in a broader range of task-related knowledge, abilities and skills than homogeneous ones" (Zanoni et al, 2009, p. 11). Tereza & Fleury (1999, p. 110) consider cultural diversity to be "a mixture of people with different group identities within the same social system". That is why O'Reilly, Williams & Barsade (1998, p. 186) mention that "a group is diverse if it is composed of individuals who differ on a characteristic on which they base their own social identity". Consequently, cultural diversity gives a real indication for world competition and workforce pool nowadays.

Loden and Rosener (1991) classify diversity into the following two dimensions:

- Primary dimensions: shape people self-image such as gender, ethnicity, race, age, sexual orientation and physical abilities.
- Secondary dimensions: include characteristics that affect people's self-esteem such as religion, education, income level, language, work experience and family status.

Besides the primary and secondary dimensions of diversity, Rijamampinina & Carmichael (2005) add the tertiary dimensions such as assumptions, values, norms, beliefs and attitudes as a third dimension of diversity. Although the discourse on cultural diversity started in the USA by focusing on differences in ethnicity and gender, it now goes beyond this narrow range to include differences among individuals (tall, short, thin, bald, blonde, intelligent, not so intelligent, and so on) and differences among subgroups in terms of age, sexual preferences, socio-economic status, religious affiliations, languages, and so on (Kundu, 2001 & Vuuren et al, 2012). That is why Humphrey, Bartolo, Alc, Calleja, Hofsaess, Janikofa, Lous, Vilkeine & Westo (2006) consider any society as constituted of a diverse range of groups that have diverse needs.

Concerning the benefits of cultural diversity, Ogbonna and Harris (2006) indicate that with a positive appraisal of cultural diversity, firms may decide

to recruit diverse international workforces in order to have better access to and understanding different markets. It is a case of enhancing business range by consciously selecting a broader variety of diverse personal qualities in order to attain competitive success. Roberson and Park (2007) consider that a multicultural workforce results in productivity and competitive benefit. Moreover, working in/with a multicultural workforce helps in attracting and retaining talent. This helps in reducing absenteeism and turnover. Moreover, Humphrey et al. (2006) stress that educating people to appreciate cultural diversity entails a support for the values of inclusion and solidarity. Countries cannot mirror any democratic norms without promoting respect for diversity and its corresponding values of freedom, equality, and tolerance. Some studies claim that diversity may hurdle synergy between groups, lead to confusion, negatively affect participation especially for people belonging to minorities, the aspect that hinders some groups' communication, attendance, loyalty and consequently productivity (Tsui, Egan and O'Reilly, 1992; Cox, 1993; Mousa & Alas, 2016).

In order to understand cynicism in view of cultural diversity, organizations adequately address both tacit and explicit knowledge (e.g. making a business case for diversity, providing opportunities for intergroup contact, and adopting culturally relevant concepts through experimental learning) in their practices (King, Gulick & Avery, 2010; Alas & Mousa, 2016). That is why academic scholars advocate that meeting personal, organizational, and social needs for cultural diversity requires tailoring initiatives (training, coaching, workshops, mentoring, and special courses) to develop a kind of awareness of cultural diversity (Roberson, Kulik, & Pepper, 2001). Accordingly, many educational and business organizations have changed their orientation from seeing cultural diversity training as a one-time seminar experience to a continuous training program taken at regular intervals (e.g. monthly) (Misra and McMahon, 2006). Additionally, many organizations have started to integrate cultural diversity aspects into other training fields, including sales training, communication training, and leadership training.

This issue fosters employee engagement into multiple cultural diversity training programs during their careers (Roberson et al, 2001). According to Devine, Baum, Hearns & Devine (2007) and Mousa & Alas (2016), for effective management of cultural diversity, organizations should overcome the following three main challenges:

- First, communication challenges which reflect the lack of knowledge and uncertainty of how people who are different receive and interpret behaviors of others.
- Second, the discrimination challenges which reflect unjustified intentional negative actions towards members of a group simply because of their membership in this group (Ogbonna & Harris, 2006).
- Third, the training challenge by responding to legal and social pressures, remaining competitive in a marketplace, and adapting with tolerant moral standards by designing programs to enhance employees' awareness and acceptance of others (Wentling & Rivas, 1999 and King, Gulick & Avery, 2010).

Organizational cynicism

Despite the fact that Dean et al. (1998) sees that the term "cynicism" comes originally from the ancient Greek word "kyon" which mean "dog", a study made by Nazir, Ahmad, Nawab and Shah (2016) indicates that cynicism probably comes from "cynosarges" which was an institute of cynics outside Athens, the capital of Greece.

The term cynicism was often used by ancient Greeks to describe the beliefs of skepticism, disbelief, pessimism, disappointment and scorn (Andersson, 1996). The same is elaborated by Delken (2005) when stating that the earliest Greek cynics were used to criticizing their institutions and state. That is why; the study of Guastello and Rieke (1992) pointed out that cynicism worked as a philosophy for some ancient Greeks.

In defining cynicism, both Andersson & Bateman (1997) and Leung et al.

(2010) differentiated between social cynicism which represents a disbelief or negative feelings toward a person, group, ideology or even a state and organizational cynicism. The specific researchable aspect of the present study is based on the definition offered by Dean et al. (1998, P. 345) of cynicism as "a negative attitude toward one's organization". It is also "a pessimistic approach shaped by an individual to his or her company" (Yasin & Khalid, 2015, p. 569). Accordingly, cynical employees believe that their co-workers are selfish and the organizations they work in lack values of honesty, justice, morality and integrity (Ince & Turan, 2011). Consequently, cynics often have feelings of mistrust, anger, insecurity, disappointment and hopelessness when dealing with their colleagues and subsequently organization (Abraham, 2000).

One of the most important definitions for organizational cynicism is what was written by Delken (2005) when considering it as "an attitude of rejection of the employing organization, or part of it, as a viable psychological contract partner" (p. 10). This definition confirms both the psychological contract theory; according to which employees rely on their previous experience with their organization to create their prospective expectations; and the affective events theory; based on which work events can create employees' positive or negative attitude toward their work and provide a comprehensive basis for the interpretation of organizational cynicism (Kocoglu, 2014 and Khan, Naseem & Masood, 2016).

Reichers, Wanous & Austin (1997) and Tukelturk et al. (2012) articulate that the main factors influencing organizational cynicism are: lack of recognition, rising organizational complexity, low work autonomy, poor communication, big gaps of salaries, conflict roles, feeling of nepotism, existence of bias, feeling of ostracism, disagreement with organizational values, unachievable organizational goals, too much work loads, absence of adequate leadership skills and inadequate social support.

Delken (2005) identifies the following five main forms of organizational cynicism:

- Cynicism about organizational change: refers to the reaction perceived due to change in policies, procedures and / or executive personnel.
- Employee cynicism: describes the attitudes caused by psychological contract violation.
- Occupational cynicism: describes the attitudes mainly generated from role conflict and/ or role ambiguity.
- Personality cynicism: describes negative feelings toward all human behavior.
- Societal cynicism: describes citizens' distrust of their government and subsequently institutions.

Needless to say, organizational cynicism has received pronounced attention nowadays. The rationale behind this is the significant negative outcomes caused by the existence of cynicism. Barefoot et al. (1989) mentions that cynical employees are the barriers that prevent an organization from achieving its goals. Moreover, many studies assure the relationship between cynicism and some critical key organizational diseases such as job burnout, turnover intentions, absenteeism, low cynicism level, less citizenship behavior and so on (Aydin & Akdag, 2016).

Clearly, the studies of Stanley, Meyer & Topolnytsky (2005) and Kaifi (2013) point that the concept "organizational cynicism" includes three dimensions:

- The cognitive dimension: reflects employees' belief that their organization lacks integrity, justice, honesty and transparency. Accordingly, employees feel that their personal values are not consistent with those of the organization.
- The affective dimension: reflects employees' negative affective reaction (anger and disgust) towards their organization.
- The behavioral dimension: reflects employees' negative behavioral tendencies (such as powerful negative criticism) toward their organization.

Egypt, a float over diversity and unwanted behavior

The Arab Republic of Egypt, also known as "Misr" or "Egypt", is the country that has the largest population in the Middle East and the Arab region. Egypt is situated in the eastern part of North Africa. It occupies a strategic location owing to the Suez Canal, a vital waterway for the world's commodities especially oil. The country stretches from shared borders with Libya in the west to those with the Gaza strip in the east. Due to its history, location, population, culture, and military power, Egypt is perceived by the world as a leader in the Arab region.

Egypt is, to a big extent, a heterogeneous country that is often seen as an Arab Muslim country with 10% of Christians. Egyptians often try to prove that tolerance is the main distinguishing feature of their national cultural ideology. Moreover, prejudice does not exist in the Egyptian behavioral dictionary contrary to what may be assumed (Mousa & Alas, 2016). However, the current situation in this country shows a tremendous orientation of social, religious, age and gender inequalities. The debates about killing Christians and forcing Christian families to leave their cities occupy a hot space in media and politics spheres (Mousa & Alas, 2016). This harsh environment creates an ideal atmosphere for investigating the practices of diversity and cynicism in various Egyptian settings and workplaces.

Research Methodology
Conceptual framework

This conceptual framework is designed based on a review of previous studies that have been conducted to demonstrate the relationship between cultural diversity and organizational cynicism. In this study, the proposed independent variables are: communication, discrimination and training. Organizational cynicism approaches (affective, continuance and normative) function as dependent variables.

Hypotheses

Based on the previous literature review, the researcher will test the following hypotheses:

- H1: not all cultural diversity challenges (communication, discrimination and training) have a negative relationship with cognitive cynicism.
- H2: not all cultural diversity challenges (communication, discrimination and training) have a negative relationship with affective cynicism.
- H3: not all cultural diversity challenges (communication, discrimination and training) have a negative relationship with behavioral cynicism.

Survey Instruments

This quantitative research uses a questionnaire to collect primary data. Most questions included in the questionnaire are based on established, existing models, with some modifications made to the original questions with regards to the cultural aspect of this study sample. The questionnaire prepared for this study contains three main sections: Demographic variables, organizational cynicism and cultural diversity. A five–point Likert scale is used for all items under organizational cynicism and cultural diversity.

- Section A: Demographic Variables: Involve questions about the personal information of the targeted respondents such as gender, age, marital status, level of income and organizational tenure.
- Section B: Cultural diversity: Given the three components of cultural diversity suggested by Devine et al. (2007), the researcher of this study has prepared this section to cover three selected challenges of cultural diversity: communication, discrimination and training. This section includes three subscales: the first subscale involves five questions about communication, and the second has six questions about discrimination, and the third contains four questions about training.
- Section C: Organizational Cynicism: Based on Dean et al. (1998) three dimensional model of organizational cynicism, this study will examine the

cognitive, affective and behavioral factors with three subscales to cover each of these researchable points.

Scope of the study

Physicians who are working in Kasr El Eini hospital in Egypt are the main population sample of this study. They are chosen as a sample because they represent the category of Egyptian physicians who are working in public hospitals and who are likely to complain about their hospital's integrity, nepotism, inequality and lack of training. Also, it deserves to be mentioned that the researcher can reach many physicians in this hospital.

By dividing the population into homogenous subgroups and then taking a simple random sample from each subgroup, the researcher relies on stratified random sampling in order to reduce any possible bias and at the same time ensure that the chosen simple random sample represents the general population.

The use of stratified random sampling guarantees that each subgroup is represented in the chosen sample. Since it is difficult to determine the size of population in this case, the researcher has chosen to distribute 120 sets of questionnaires to the targeted respondents. Needless to say, the sets of questionnaire delivered in both Arabic and English were designed to match the abilities of all targeted respondents and to motivate them to respond.

Data Analysis

For data analysis, the SPSS was used to show the normal descriptive statistics such as frequency distribution, mean and standard deviation. The SPSS Pearson correlation will be adopted to get the results of hypotheses testing.

Research Findings

As previous stated the researchers distributed 120 sets of questionnaires and received responses from 100 physicians. With the help of stratified random sampling, the researchers formed the following profiles for respondents (see Table 1).

Table 1. Demographics

Demographic Variables	Items	Count
Gender	Male	90
	Female	10
Age	below 25 years	13
	26-30 years	18
	31-35 years	18
	36-40 years	16
	41-45 years	17
	46-50 years	10
	More than 50 years	8
Marital Status	Single	10
	Married	82
	Other	8
Level of Education	Bachelor	98
	Bachelor + Diploma	0
	Master	2
Level of Income	EGP 1200	9
	EGP 1300-2500	10
	EGP 2500-4000	35
	EGP 4000-5500	44
	Above 5500	2

Organizational tenure	Less than 1 year	2
	1-3 years	5
	4-6 years	11
	7-9 years	67
	10-12 years	13
	Above 15 years	2
Religion	Muslim	95
	Christian	5
Work Bases	Full time	100
	Part time	0

Source: own study.

Reliability Analysis

The Cronbach Alpha is used to assess the internal consistency of each of the variables used in the study. As depicted in Table 1, all variables have adequate levels of internal consistency, and they meet the acceptable standard of 0.60 (Sekaran, 2003). In this study, the Cronbach Alpha Coefficient is 0.671 (see Table 2).

Table 2. Reliability Analysis

Scale name	Number of items	Coefficient alpha values
Cultural diversity	15	.703
Communication	5	.876
Discrimination	6	.886
Training	4	.886
Cynicism	12	.918
Cognitive cynicism	4	.702
Affective cynicism	4	.913
Behavioral cynicism	4	.944
Total	27	.671

Source: own study.

Hypothesis 1

a) The analysis results in a Pearson coefficient of - 0.578, and this value is highly significant (P= 0.0). This negative correlation coefficient proves that communication negatively affects physicians' cognitive cynicism. The result (R2= 0.335, P= 0.0) suggests that when communication is assigned, there is a 33.5 % decrease in physicians' cognitive cynicism (see Table 3).

Table 3. Correlation and Regression between Communication and Cognitive Cynicism

Correlations

		Communication	Cognitive cynicism
Communication	Pearson Correlation	1	-.578
	Sig. (2-tailed)		.000
	N	100	100
Cognitive cynicism	Pearson Correlation	-.578	1
	Sig. (2-tailed)	.000	
	N	100	100

Linear Regression

Model	r	R^2	Adjusted R^2	SE of the estimate
1	.578	.335	.328	.41852

Source: own study.

a) The analysis results in a Pearson coefficient of 0.474, and the value is highly significant (P= 0.0). This positive correlation coefficient proves that discrimination positively affects physicians' cognitive cynicism. The result (R2= 0.224, P= 0.0) suggests that if physicians feel discrimination, the result is a 22.4 % increase in their cognitive cynicism (see Table 4).

Table 4. Correlation and Regression, between Discrimination and Cognitive Cynicism

Correlations

		Discrimination	Cognitive cynicism
Discrimination	Pearson Correlation	1	.474
	Sig. (2-tailed)		.000
	N	100	100
Cognitive cynicism	Pearson Correlation	.474	1
	Sig. (2-tailed)	.000	
	N	100	100

Linear Regression

Model	r	R^2	Adjusted R^2	SE of the estimate
1	.474	.224	.216	.45185

Source: own study.

b) The analysis results in a Pearson coefficient of - 0.681, and the value is highly significant (P= 0.00).This highly significant negative correlation coefficient proves that training negatively affects physicians' affective cynicism. The result (R2= 0.463, P= 0.0) suggests that when training is existed, there is a 46.3 % decrease in physicians' affective cynicism (see Table 5).

Table 5. Correlation and Regression, between Training and Cognitive Cynicism

Correlations

		Training	Cognitive cynicism
Training	Pearson Correlation	1	-.681
	Sig. (2-tailed)		.000
	N	100	100
Cognitive cynicism	Pearson Correlation	-.681	1
	Sig. (2-tailed)	.000	
	N	100	100

Linear Regression

Model	R	R^2	Adjusted R^2	SE of the estimate
1	.681	.463	.458	.37594

Source: own study.

Findings 1: Since both communication and training negatively affect cognitive cynicism whereas discrimination positively affects it, the first hypothesis is fully supported. The results show that training (.463) has much more impact than communication (0.335) and discrimination (.224) on the level of cognitive cynicism.

Hypothesis 2

a) The analysis results in a Pearson coefficient of – 0.505 and the value are highly significant (P= 0.0). This result indicates that communication negatively affects affective cynicism. The result (R2= 0.255, P= 0.0) suggests that when communication is well-utilized, there is a 25.5 % decrease in physicians' affective cynicism (see table 6).

Table 6: Correlation and Regression, between Communication and Affective Cynicism

Correlations

		Communication	Affective cynicism
Communication	Pearson Correlation	1	-.505
	Sig. (2-tailed)		.000
	N	100	100
Affective cynicism	Pearson Correlation	-.505	1
	Sig. (2-tailed)	.000	
	N	100	100

Linear Regression

Model	R	R2	Adjusted R2	SE of the estimate
1	.505	.255	.247	1.07966

Source: own study.

b) The analysis results in a Pearson coefficient of 0.405 and the value is highly significant (P= 0.0).This result proves that discrimination positively affects affective cynicism. The result (R^2= 0.164, P= 0.0) suggests that when physicians find a kind of discrimination, the result is a 16.4% increase in the level of physicians' affective cynicism (See table 7).

Table 7. Correlation and Regression, between Discrimination and Affective Cynicism

Correlations

		Discrimination	Affective cynicism
Discrimination	Pearson Correlation	1	.405
	Sig. (2-tailed)		.000
	N	100	100
Affective cynicism	Pearson Correlation	.405	1
	Sig. (2-tailed)	.000	
	N	100	100

Linear Regression

Model	R	R^2	Adjusted R^2	SE of the estimate
1	.405	.164	.156	1.14321

Source: own study.

a) The analysis results in a Pearson coefficient of - 0.646 and the value is significant (P= 0.00), showing a significantly negative effect for training on the level of affective cynicism. The result (R^2= 0.417, P= 0.000) shows that if physicians are trained well, their level of affective cynicism decreases by 41.7 %(see table 8).

Table 8. Correlation and Regression, between Training and Affective Cynicism

Correlations

		Training	Affective cynicism
Training	Pearson Correlation	1	-.646
	Sig. (2-tailed)		.000
	N	100	100

	Pearson Correlation	-.646	1
	Sig. (2-tailed)	.000	
Affective cynicism	N	100	100

Linear Regression

Model	R	R^2	Adjusted R^2	SE of the estimate
1	.646	.417	.411	.95480

Source: own study.

Findings 2: Both communication and training negatively affect physicians' level of affective cynicism, whereas discrimination has a positive effect on it. Accordingly, hypothesis two is fully accepted. The results also show that training (0.417) has much more effect than communication (0.255) and discrimination (0.164) on the level of affective cynicism.

Hypothesis 3

a) The analysis results in a Pearson coefficient of – 0.309, and the value is highly significant (P= 0.0). This negative correlation coefficient implies that communication can negatively affect physicians' behavioral cynicism. Specifically, the result (R^2= 0.095, P= 0.0) suggests when communication is well-employed, there is a 9.5% decrease in physicians' feeling that they are in the right organization (See table 9).

Table 9. Correlation and Regression, between Communication and Behavioral Cynicism

Correlations

		Communication	Behavioral cynicism
Communication	Pearson Correlation	1	-.309
	Sig. (2-tailed)		.002
	N	100	100
Behavioral cynicism	Pearson Correlation	-.309	1
	Sig. (2-tailed)	.002	
	N	100	100

Linear Regression

Model	R	R^2	Adjusted R^2	SE of the estimate
1	.309	.095	.086	1.20341

Source: own study.

a) The analysis results in a Pearson coefficient of 0.296 and the value is highly significant (P=0.0). This positive value of correlation coefficient implies that discrimination positively affects the physicians' behavioral cynicism. The result (R^2= 0.088, P= 0.0) suggests that if physicians experience a kind of discrimination, their feeling of criticism towards their hospitals increases by 8.8% (see table 10).

Table 10. Correlation and Regression, between Discrimination and Behavioral Cynicism

Correlations

		Discrimination	Behavioral cynicism
Discrimination	Pearson Correlation	1	.296
	Sig. (2-tailed)		.003
	N	100	100

	Pearson Correlation	.296	1
	Sig. (2-tailed)	.003	
Behavioral cynicism	N	100	100

Linear Regression

Model	R	R^2	Adjusted R^2	SE of the estimate
1	.296	.088	.078	1.20851

Source: own study.

a) The analysis results in a Pearson coefficient of -0.667, and the value is highly significant (P= 0.0). This result shows a negative correlation between training and physicians' behavioral cynicism. The result (R^2= 0.445, P= 0.00) shows that even if training is well-created and managed, there is a chance of decreasing physicians' level of behavioral cynicism by 44.5% (See table 11).

Table 11. Correlation and regression, between Training and Behavioral Cynicism

Correlations

		Training	Behavioral cynicism
	Pearson Correlation	1	-.667
	Sig. (2-tailed)		.000
Training	N	100	100
	Pearson Correlation	-.667	1
	Sig. (2-tailed)	.000	
Behavioral cynicism	N	100	100

Linear Regression

Model	R	R^2	Adjusted R^2	SE of the estimate
1	.667	.445	.439	.94266

Source: own study.

Findings 3: Both communication and training negatively affect physicians' behavioral cynicism, whereas discrimination has a positive effect. Thus, hypothesis 3 is accepted. The results show that training (.445) has much more effect than communication (0.095) and discrimination (0.088) on the level of behavioral cynicism.

Conclusion and implications for future studies

This study has attempted to examine the relationship between culture diversity challenges (communication, discrimination and training) and organizational cynicism dimensions (cognitive, affective and behavioral). The results of the current study show a negative relationship between communication and organizational cynicism dimensions (cognitive, affective and behavioral). In concordance with (Alas & Mousa, 2016 and Mousa & Alas, 2016), the results of this study assure the significance of diversity training for enhancing organizational responsiveness. However and as expected, the statistical results explore a negative relationship between training and organizational cynicism dimensions. Additionally, the statistical results of this study indicate a positive correlation between discrimination and organizational cynicism dimensions (cognitive, affective and behavioral). Training has emerged to be the most dominant variable in predicting physicians' cognitive, affective and behavioral cynicism.

It is evident from many previous studies that cultural diversity is a modern dominant organizational reality. Openness to such diversity requires considering it as a part of managerial policies. Activities to promote organizational initiatives (e.g. training, coaching, mentoring, etc.) to equip employees (physicians here) with the various values of cultural diversity (inclusion, justice, tolerance, sincerity, etc.) are taken.

It is needless to say that the status of division threatens the Egyptian society besides the hot media discourse about women empowerment, youth empowerment, class inequality and persecution of religious figures

call the managers of Kasr El Eini to fully understand and realize their institutional role in the area of diversity. This role should be managerial, political and social, and driven by a tendency to build an equitable atmosphere in which physicians, nurses and doctors can better serve patients and attain their career aspirations without facing any challenges because of religion, gender, age and social class. Accordingly, a tendency to cherish the practices of diversity management to include the functions of recruiting, selecting, hiring, developing, evaluating performance, preparing succession plans, punishing and rewarding should be enhanced (Kundu, 2001). Moreover, a full understanding for the real meaning of cultural diversity will assist managers to absorb that equal employment opportunities and managerial interventions serve only as short-term dynamics for dealing with gender, age and ethnical challenges. A detailed strategy for considering diversity as a valuable asset works as an opportunity not only in creating an equitable environment in which workforce achieves their potential but also in ensuring flexibility, creativity and continuity (Mousa & Alas, 2016).

To eliminate cynicism, Kasr El Eini executives should become completely aware of its reasons. The climate of anxiety and cut-throat competition people struggle in make them more sensitive than ever before. Accordingly, they can no longer bear much more nepotism, ostracism, discrimination, fraud, hopelessness and inequality. Consequently, an open door policy of communication, a climate of knowledge-sharing, a sense of involvement and an adequate level of affective intelligence provide a relevant opportunity in improving physicians' attitudes towards their hospital (Aydin & Akdag, 2016).

Given the fact that organizational culture shapes the identity of organization, justice should be considered a typical component of it. Furthermore, managers need to take such justice as a norm according to which they can engage in recruiting, selecting, training, maintaining and promoting their employees (Alas & Mousa, 2016). This assists a lot in creating a mutual healthy employee-organization relationship. Kocoglu (2014) considers that

hiring optimistic employees may decrease cynicism and work alienation. That is why having a clear job description, organizing weekly meeting and caring about employees in-and-out of work are prerequisites for developing staff empathy and sympathy towards their organization.

In conclusion, the present study has tried to fill a gap in management literature by examining the relationship between three challenges of cultural diversity and the three dimensions of cynicism. To the best of the researchers' knowledge, this study appears to be one of the first to discuss cultural diversity and organizational cynicism in Egypt and the whole Arab region. This research may be subject to criticism because of the inability to provide enough variability as the researcher focused mainly on a single public hospital, even if it is the biggest and oldest in his country, Egypt. Moreover, the researcher overlooked some moderating variables such as physicians' engagement, job autonomy, and inclusion and so on.

For future studies, the researcher suggests the same hypothesis be tested with nurses, consultants, and other employees in Kasr El Eini hospital, the matter that may yield different results. Furthermore, he also suggests the same research question be tested in other settings such as private hospitals, universities and businesses to determine whether or not it would lead to similar results.

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The Impact of Perceived Ethical Leadership and Organizational Culture on Job Satisfaction with the Mediating Role of Organizational Commitment in Private Educational Sector of Islamabad, Pakistan

Abstract: The current study inspects the relationship among ethical leadership, organizational culture and job satisfaction with the mediating role of an organizational commitment in private educational sector of Islamabad, Pakistan. For this study data is collected through a survey of 210 employees of the education sector of Pakistan in October, 2016. The data is analyzed using SPSS 20.0 software through different statistical tests. The findings established the positive relationships among organizational culture, ethical leadership and job satisfaction with the mediating role of an organizational commitment. It is also observed that ethical leadership and organizational culture increases the job performance. The findings of the current study propose teachers and managers to encourage ethical leadership and create a positive culture to enhance organizational commitment and job satisfaction.

Keywords: Ethical Leadership, Organizational Culture, Organizational Commitment, Job Satisfaction

1. Introduction

1.1 Significance of the Study

The organisations these days strive for high performing employees without which they are unable to compete in a competitive market. The high performance of the employees cannot be achieved if they are not pleased with their jobs or have a lack of organizational commitment. Recent literature has identified that leadership styles and organizational culture are the main determinants of committed and satisfied employees (Trivisonno & Barling, 2016; Top, Akdere & Tarcan, 2015; Sojane, Klopper & Coetzee 2016). From different leadership styles, research on ethical leadership has received significant attraction of scholars in the field of management sciences.

The education industry of Pakistan has witnessed a lot of growth in the recent two decades. The education industry has created a number of jobs in a variety of areas related to primary and secondary education (private schools & colleges). For the economic, social and cultural growth of the country it is important that the educational system is fully developed which is only possible through high performing employees, though there are numerous aspects that stimulate the job satisfaction and organizational com-

mitment of employees. However, the impact of ethical leadership style and organizational culture on job satisfaction with the mediating role of organizational commitment in the private educational sector of Islamabad, Pakistan is only examined in the current study.

1.2 Gap Analysis

Çelik, Dedeoglu and Inanir (2015) has studied the impact of ethical leadership on job satisfaction with the mediating role of organizational commitment in Antalya Turkey. The study made a noteworthy input towards the literature and proved that ethical leadership enrich the employee's organizational commitment and job satisfaction. It is further suggested that organizational culture could also be incorporated in the model to inspect the effect of organizational culture on job satisfaction in different milieus. So the current study is an effort to inspect the relationship between ethical leadership and organizational culture on job satisfaction with the mediating role of an organizational commitment. The current research endeavours to fill the theoretical as well as the contextual gap in the literature of ethical leadership and job satisfaction.

1.3 Problem Statement

Today education in Pakistan becomes a provincial subject under 18 Constitutional Amendment during April 2010.There are two types of the education system in Pakistan, Public and Private Education system. Over the past decade, the private sector has been playing a vital role in the elevation of education in Pakistan. Private sector enrolment is increasing because of its excellence in education as compared to public sector.

The education system of Pakistan is comprised of 303,446 institutions and is serving 47,491,260 students with the assistance of 1,723,790 teachers. The public sector is serving 27.69 million students to complete their

education while the remaining 19.80 million students are getting an education in private sector of education. 37% of private educational institutions are serving 42 % of students which indicates a bit higher enrollment ration in the private sector compared to the public sector. 52%of teachers serving the public institutions whilst 48% are engaged in the private sector. It is an obvious fact that the public sector has a paucity of teachers as compared to private sector. This point needs to be investigated more, through research studies, to find the reasons behind this deficiency.

The private educational sectors in Pakistan are facing continuous challenges in productivity, increasing turnover of teachers and administrative staff due to lack of organizational commitment and dissatisfaction. The recent research in the educational sector of Pakistan has identified job satisfaction as one of the major disputes to be addressed in order to cultivate a strong educational system (Zulfqar, Devos, Shahzad & Valcke, 2015; Khan, Ali, Hussain & Safdar, 2015). The current situation, therefore, calls for research to identify the factors that can enhance job satisfaction and organizational commitment of the employees in the educational sector of Pakistan.

1.4 Research Goal

The key goal of the study is to investigate the effect of perceived ethical leadership and organizational culture on job satisfaction with the mediating role of organizational commitment in the private educational sector of Islamabad, Pakistan.

1.5 Delimitation of Study

The content of this study is limited to the ethical leadership style and organizational commitment has been considered as one variable in its generic sense and its further dimensions were not taken into consideration. In the following study only private educational sector of Islamabad, Pakistan was

targeted. Due to the limitation of budget and time, only 210 respondents were managed. An additional limitation of the current study is that it had a quantitative research approach and data was collected at one point in time.

2. Literature Review

2.1 Ethical Leadership

Nowadays, the expression "ethics" ordinarily alludes to a composed or unrecorded moral framework that characterises what is socially viewed as erroneous or voracious, great or awful (Aronson, 2001). Until now researchers have not found a distinctive explanation for what constitutes an ethical leadership. Leadership is defined by (Davis, 1981) as "the ability to persuade individuals to endeavour with a specific end goal to achieve the hierarchical objectives". Çelik (2012, p. 6) examined many definitions and characterised authority as "a procedure amid which the objectives of a business or a gathering are resolved and the gathering individuals are directed to achieve these objectives with the assistance of impact." In numerous studies led on administration, the accentuation has been on the initiative procedure, pioneer practices, association with the group of onlookers and authoritative yields. (Yukl, 2002; April et al., 2010; Gardner et al., 2005). Be that as it may, as of late, the initiative has ended up connected with current exploitative practices. Government and corporate lifespan enforced new controls in moral administration improving studies (Belschak, 2012; Resick et al. 2006; Den Hartog & Harrison, Trevino and Brown 2005).

2.2 Organizational Culture

Culture delineates how the function is going on, and the general populations are dealt with inside the association. Hierarchical culture is created by a set, pretty much sound or enunciated, of qualities, implications, practices and authoritative works on speaking to the fundamental filter in deciphering the

association's world: it likewise fulfils the capacity of conduct introduction in the organisation. It is growing, fundamentally in a typical arrangement, 10 to offer an instrument of comprehension, introduction and conduct inside the authoritative casing. Schein comprehended "authoritative culture as a subjective procedure of adjustment to the specific differing qualities of hierarchical substance, and reconciliation in this reality".

2.3 Organizational Commitment

Morris and Sherman (1981) showed that authoritative duty can viably foresee the representative's execution and turnover. It was found that hierarchical responsibility was an appropriate marker of work execution. It is imperative for administrators and pioneers to give careful consideration to the representative's hierarchical responsibility. The greater part of the studies concerning hierarchical responsibility and found that authoritative duty was influenced by four main considerations: Personality, Job Speciality, Experience and Pay and Working. The result influenced by authoritative duty incorporates the maintenance eagerness, maintenance request, going to rate, and work execution (Raja & Palanichamy, 2005).

Employees' psychosomatic affection to the organisation is called organizational commitment; there are three basic extents of the organizational commitment that are an effective commitment, continuance commitment and normative commitment (Morris & Sherman, 1981). An organizational commitment is permitted to successfully anticipate the employee satisfaction and performance. Research showed that organizational commitment is a good pointer of work performance and satisfaction. It is a salient point for the leaders and managers to give careful consideration to the employee's organizational commitment. The dimensions of leadership styles and their attributes specifically transformational, transactional, autocratic control, human relation specialist, coaching and servant/domestic leadership flairs are considerably allied to organizational commitment as well with

their sub-dimensionslike thecontinuance of job, affective and normative of the organisation (Alonderiene & Majauskaite, 2016). Therefore, organizational commitment in this current globalised dilemma enhances employee satisfaction (Hussein, 2016).

2.4 Job Satisfaction

It is communicated that administration style assumes a fundamental part in affecting workers' employment execution. Some scientists found that distinctive initiative styles will cause diverse workplace and precisely stimulus the occupation fulfilment of the representatives. One of the studies recommended that change may normally embolden more employment fulfilment, given its capacity to grant a sense of duty and scholarly provocation. (Lashbrook, 1997).

Work fulfilment has been defined in different complementary ways. As per Spector, (1985, p. 693) work fulfilment is "worker states of mind, including pay, advancement, supervision, periphery benefits, unforeseen prizes, working strategies, collaborators, nature of work, and correspondence". For the reasons for the present study, work fulfilment will be considered as the definition by Spector.

Bavendam (2000) found that openings for work, stretch, administration, work models, reasonable prizes, and satisfactory power were contributing variables to instructor work fulfilment. Besides, Arani (2003) completed a similar investigation of auxiliary teachers' employment fulfilment in connection with their esteem introduction and school authoritative atmosphere in Iran and India. Of the factors chose for the study, instructors work fulfilment is needy variable and educators esteem introduction, school authoritative atmosphere, sexual orientation, age, subject of educating, showing background, pay and sort of school are free factors. Discoveries of the study uncovered a significant distinction amongst government plus tuition based school instructors in their occupation fulfilment in both the nations. The

study originates the most indispensable qualities for Iranian educators are well-being, learning, and household known and for Indian instructors are religion, popular government, and information.

2.5 Organizational commitment and Job Satisfaction

Prior studies have emphasized on the relationship in organizational commitment and job satisfaction. Like (Bedeian & Armenakis, 1981; Dubinsky & Borys, 1981) stated a positive relation between an organizational commitment and job satisfaction? On the other hand, (Curry et al.,1986) establish no connection amid them. Vandenberg and Lance (1992) explored that organizational commitment causes job satisfaction. Russ and McNeilly (1995) investigated the connection between organizational commitment and job satisfaction via experience, performance and gender as moderators. The current findings show that experience and performance help the connection between an organizational commitment and job satisfaction. Therefore, it is hypothesised that:

The organizational commitment has a positive effect on job satisfaction.

2.6 Ethical Leadership, Organizational Commitment and Job Satisfaction

A number of studies (Tennakoon, 2009, Atmojo, 2012; Zohrabi & Ahmadi, 2012; Rezaei & Darvish, 2011) in the writing that inspects the relationship between authoritative responsibility and employment fulfilment. Be that as it may, the examination, particularly focusing on the relationship of moral initiative with authoritative responsibility and employment fulfilment, is strikingly constrained. It has been set up that pioneers are powerful in making authoritative responsibility and guaranteeing work fulfilment (Baum, 2001; Zajac & Mathieu, 1990). The ethical behaviourof the leaders also increases the commitment of employee and their job satisfaction.

Zhu et al. (2004), Ofori and Toor (2009), Ghorban, Mohd and Ghahroodi (2013) found in their studies that moral administration decidedly influences hierarchical responsibility, while moral initiative may likewise positively affect work fulfilment (Brown et al., 2005). Organizational pledge escalates via proliferations of job satisfaction in the business (Testa, 2001). Kappagoda (2012), Berkes and Jermier (1979), Gomes (2009) and also pointed in their studies that organizational commitment has positive effects on job satisfaction.

The organizational commitment arbitrates the relationship between ethical leadership and job satisfaction.

2.7 Organizational Culture and Organizational Commitment

The possibility of the organizational commitment is seen as the impression of definitive qualities, which are acknowledged as the impression of the legitimate culture. Since duty is an impression of legitimate standards and tenets are impressions of various levelled social orders, there might be a relationship amongst dedication and societies in associations. Additionally, authoritative duty might be acknowledged as a yield of hierarchical culture since the parts of hierarchical culture like standards, images, qualities, convictions, and fundamental suspicions shape authoritative responsibility (Reyes and Shaw, 1992; Martin and Peterson, 1990). Considerations about revealing that the regard presentation of teachers has consequences for their various levelled obligation support this supposition. In disdain of the way that there are endless surveys on legitimate culture and progressive obligation, there are not too many audits taking a gander at the relationship between these two thoughts. In any case, perceptible specialists1in the field of definitive culture, Waterman and Peters (1982) and Kennedy and Deal (1982) and, speculatively focused on the huge effect various levelled cultures may have on execution and duty in affiliations.

Organizational culture has a positive impact on organizational commitment.

2.8 Ethical Leadership, Organizational Culture & Job Satisfaction with Organizational Commitment

Aronson (2001) was one of the underlying specialists who investigated the moral purpose of perspectives and administration techniques together. Fundamental attributes of moral pioneers are character and trustworthiness, moral, care, focusing on society, ability to arouse, stimulate, empower and accept moral obligation.

Regardless of the way that an extensive number of masters have taught that there is an unfaltering entomb change between hierarchical culture and activity, there is limited exact research inspecting the association among organization and culture and likewise their joint effect on basic authoritative outcomes. All these are the more fundamentally, research has found that the neighbourly mix of legitimate activity polishes with specific sorts of various levelled social orders can earnestly influence workers' execution. The relationship between activity direct and business satisfaction has gotten a countless pact of consideration in bygone studies, regardless, discoveries have been mixed. Viewed in this manner it does not straightforwardly interface worker fulfilment to a specific authority style. Voluminous researchers had proposed that inventiveness style requires the efforts to amend to the way of life or situation to reduce typical dissatisfaction. As indicated by a complete writing audit by (Yousef, 2000) a few analysts have likewise investigated the relationship between initiative conduct and employment execution.

Ethical leadership has a positive impact on the organizational commitment .

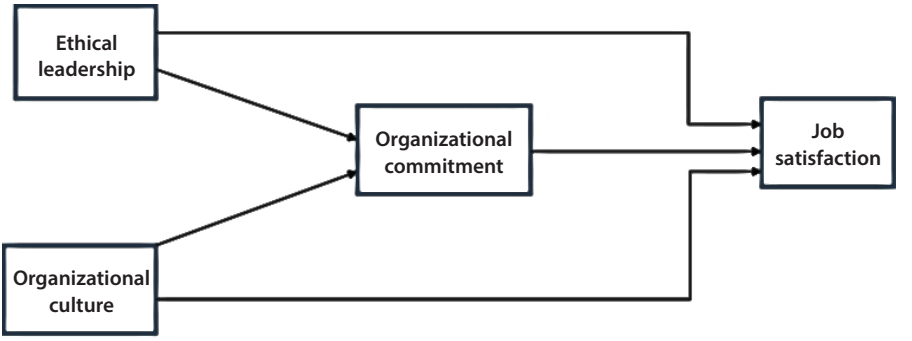
Ethical leadership has a positive impact on job satisfaction.

Organizational culture has a positive impact on job satisfaction.

2.9 Theoretical Framework

Past study centred variable was employment fulfilment; however, thenewly engaged variable is a hierarchical culture which is proposed by the past scientists (Çelik et al., 2015). Though, hierarchical responsibility can be utilised as a middle person between moral administration, authoritative culture and employment fulfilment, so the last hole which analyst recognised is, this kind of research work has not been done as such this could be satisfied in this examination work as given in figure 1.

Figure 1. Theoretical Framework



Source: own study.

3. Research Methodology

The present research is quantitative and follows positivism paradigm. The questionnaireisdivided into two sections A & B respectively. Demographic information (sexual category, age, experience, education and managerial tier) is given in section A which is about public and private sector of employees, Section B covers the questions related to different items to measure responses on the variables. The planned survey was used as a tool for information gathering. The questionnaire was circulated to the workers of the

educational sector in Islamabad. The totality of 270 questionnaires was personally distributed out of which 210 were utilisedper response rate of 77%.

Table 1. Review of key factors included in questionnaire

Variable	Types of Variables	Source	No. of Items
Ethical Leadership	Independent	(Çelik, Dedeoglu & Inanir, 2015)	9
Organizational Culture	Independent	(Lund, 2003)	8
Organizational Commitment	Mediator	(Çelik, Dedeoglu & Inanir, 2015)	6
Job Satisfaction	Dependent	(Droussiotis & Austin, 2007)	8

Source: own study.

3.1 Statistical Tests for Data Analysis

Data collected through questionnaire were coded into SPSS version 20 and a variety of tests were applied in order to analyses the data and test hypothesis. Firstly, the pilot test was conducted using Cronbach alpha for the reliability and internal consistency of the instrument. Secondly, after the final data collection, the frequencies and percentage of demographic features of the sample were calculated. Thirdly, for the preliminary analysis of the data, the descriptive statistics of the variables were calculated including mean, standard deviation, skewness and kurtosis. Fourthly, the Pearson correlation between different variableswas calculated in order to measure the trend and degree of association under investigation. Fifthly, for the direct hypothesis testing linear regression was used (simple and multiple regression whichever applicable). Finally, for the mediation analysis; the process macro was installed in SPSS and bootstrapping method suggested by Hayes (2013) was used. The model 4 was used to analyses the total, direct and indirect effect ofmeditation. Furthermore, the Sobel

test was applied to confirm the mediation result. Descriptive statistics, correlation analysis and regression analysis used in the current research.

3.2 Ethical Considerations

The honour and dignity of all respondents must be maintained. It was much ensured to secure the protection of research matters, guaranteeing the secrecy of research information Furthermore securing the namelessness of people who participated. Participants were given a data sheet sketching out the reason for the review and given confirmations that their information would be dealt with confidentially. Complete genuineness and straightforwardness have been kept up while imparting about the research.

4. Data Analysis and Results

In the following study, descriptive statistics are used to find out the data distribution, though the data is normally distributed or not.

Table 2. Descriptive Statistics

	Mean	SD	Skewness	Kurtosis
EL	3.964	0.407	-0.332	-1.638
OCL	4.065	0.268	-0.845	-0.631
OC	4.122	0.470	-0.808	-0.764
JS	4.170	0.312	-0.485	0.811

Source: own study.

The values of mean, skewness and kurtosis of four variables as shown in table i.e. Ethical leadership, Organizational culture, organizational commitment and job satisfaction which indicates that data is normally distributed

because skewness value lies between 1 to -1, also the kurtosis value is lying in the range of 3 to -3.

4.1 Correlation

Table 3. Correlations				
	EL	OC	JS	OCL
EL	1			
OC	.886**	1		
JS	.585**	.640**	1	
OCL	.816**	.640**	.529**	1
**. Correlation is significant at the 0.01 level (2-tailed).				

Source: own study.

The correlation between ethical leadership and the organizational commitment is significant and positive (r = 0.886, p<0.05). This means that if ethical leadership increase the organizational commitment will also increase. The correlation between ethical leadership and job satisfaction is significant and positive (r = 0.585, p<0.05). This means that if ethical leadership increase the job satisfaction will also 27 increase. The correlation between ethical leadership and organizational culture is significant and positive (r = 0.816, p<0.05). This means that if ethical leadership increase the organizational culture will also increase. The correlation between hierarchical duty and occupation fulfilmentare critical and positive (r = 0.640, p<0.05). This implies if hierarchical duty increment the job fulfilment will likewise increase. The connection between hierarchical duty and organizational culture is huge and positive (r = 0.640, p<0.05). This implies if authoritative commitment increase the hierarchical culture will likewise increment. The correlation between work fulfilment and hierarchical culture is significant and positive (r = 0.529, p<0.05). This implies if job fulfilment increment the hierarchical culture will also increase.

4.2 Regression

Table 4. Results of the tested hypothesis

Hypothesis	IV	DV	R2	F	Beta	test	Sig	Status
H1	EL	OC	0.785	758	1.025	27.532	0	Accepted
H2	OCL	OC	0.409	143.999	1.119	12	0	Accepted
H3	OCL	JS	0.28	80.728	0.615	8.985	0	Accepted
H4	EL	JS	0.342	107.619	0.45	10.374	0	Accepted
H5	OC	JS	0.409	144.18	0.425	12.008	0	Accepted

Source: own study.

The direct hypothesis of the study is tested by using linear regression and results are shown in table 4.

H1 postulated that Ethical leadership positively affect an organizational commitment . The results of regression analysis show that 78% variation (R2= .785, F= 758, P<0.05) in organizational commitment is because of ethical leadership. The F value indicates that the model is fit for regression. The coefficient value (β=1.025) indicates that with one unit change in ethical leadership the 1.025 unit will change the organizational commitment . The results indicate a significant impact (t=27.53,p<0.05) of ethical leadership on the organizational commitment. Subsequently, H1 is supported.

H2 postulated that organizational culture has the effect on the organizational commitment that is positive. The results of regression analysis show that 41% variation (R2= .41, F= 143, P<0.05) in organizational commitment

is because of organizational culture. The F value indicates that the model is fit for regression. The coefficient value (β=1.119) indicates that with one unit change in organizationalculture the 1.119 unit will change the organizational commitment. The results indicate a significant impact (t=12,p<0.05) of organizational culture on the organizational commitment . Subsequently,H2 is supported.

H3 postulated that organizational culture has the positive effect on job satisfaction. The outcomes of regression analysis show that 28% variation (R2= .28, F= 80, P<0.05) in job satisfaction is because of organizational culture. The F value indicates that the model is fit for regression. The coefficient value (β=.615) indicates that with one unit change in the organizational culture .615 unit will change in job satisfaction. The results indicate a significant impact (t=8.985,p<0.05) of organizational culture on job satisfaction. Subsequently, H3 is supported.

H4 postulated that Ethical leadership has the positive effect on job satisfaction. The outcomes of regression analysis demonstrated that 34% variation (R2= .342, F= 107, P<0.05) in job satisfaction is because of ethical leadership. The F value indicates that the model is fit for regression. The coefficient value (β=.45) indicates that with one unit change in ethical leadership the 0.45 unit will change in job satisfaction. The results indicate a significant impact (t=10.37, p<0.05) of ethical leadership on job satisfaction. Therefore H4 is supported.

H5 postulated that organizational commitment has the positive effect on job satisfaction. The outcomes of regression analysis demonstrated that 41% variation (R2= .41, F= 144, P<0.05) in job satisfaction is because of an organizational commitment. The F value indicates that the model is fit for regression. The coefficient value (β=.425) indicates that with one unit change in the organizational commitment the .425 unit will change in job satisfaction. The results indicate a significant impact (t=12, p<0.05) of organizational commitment on job satisfaction. Therefore H5 is supported.

Table 5. The effect of ethical leadership on job satisfaction through organizational commitment

Hypothesis 6: Organizational commitment mediates between ethical leadership and job satisfaction.					
	Effect	SE	t	LLCI	ULCI
Total effect of X on Y	0.45	0.04	10.37	0.36	0.53
Direct effect of X on Y	0.06	0.09	0.75	-0.11	0.24
	Effect	Boot SE		LLCI	ULCI
Indirect effect of X on Y (Creativity)	0.38	0.10		0.17	0.57
Normal theory tests for the indirect effect (Sobal test)	Effect	SE	Z	P	
	0.38	0.08	4.78	0.00	

Source: own study.

The table shows the direct and indirect effect of ethical leadership on job satisfaction through organizational commitment .The results indirect that total effect of ethical leadership and organizational commitment on job satisfaction is significant (β=0.45, t=10.37, P<0.05, CI [0.36, 0.53]). The results of direct effect are found insignificant (β=0.06, t=0.75, P<0.05, CI [-0.11, 0.24]), showing that ethical leadership has no direct effect on job satisfaction.

The outcomes of the indirect effect indicate that (β=0. 38, CI [0.17, 0.57]) organizational commitment arbitrates the relationship between ethical leadership and job satisfaction. The Sobel test also supports the mediation results (β=0.38, z=4.78, P<0.05). Based on the above results organizational commitment arbitrates between ethical leadership and job satisfaction.

Table 6. The effect of organizational culture on job satisfaction through organizational commitment

Hypothesis 7: Organizational commitment arbitrates between organizational culture and job satisfaction.					
	Effect	SE	T	LLCI	ULCI
Total effect of X on Y	0.61	0.07	8.98	0.48	0.75
Direct effect of X on Y	0.23	0.79	2.97	0.07	0.39
	Effect	Boot SE		LLCI	ULCI
Indirect effect of X on Y (Creativity)	0.38	0.07		0.25	0.53
Normal theory tests for the indirect effect (Sobal test)	Effect	SE	Z	P	
	0.38	0.06	6.34	0.00	

Source: own study.

The table shows the direct and indirect effect of organizational culture on job satisfaction through organizational commitment. The results indicate that total effect of organizational culture and organizational commitment on job satisfaction is significant (β=0.61, t=8.98, P<0.05, CI [0.48, 0.75]). The results of direct effect are also found significant (β=0.23, t=2.97, P<0.05, CI [0.07, 0.39]), showing that organizational culture has a direct effect on job satisfaction.

The results of the indirect effect indicate that (β=0. 38, CI [0.25, 0.53l]) organizational commitment mediates the relationship between organizational culture and job satisfaction. The Sobel test also supports the mediation results (β=0.38, z=6.34, P<0.05). Based on the above results Organizational commitment mediates between organizational culture and job satisfaction.

5. Discussion

The goal of this research was to discuss that ethical leadership, organizational culture and its effect on job satisfaction with the mediating role of

an organizational commitment . In the current research, the ethical leadership has taken as an independent variable and organizational commitment has taken as mediator. The regression was run to check the relationship between ethical leadership and organizational commitment . The outcomes of regression analysis show the variation in organizational commitment is because of ethical leadership. The regression table shows that this model fits for regression. The results indicate a significant impact of ethical leadership on the organizational commitment . In this study, we have also discussed organizational culture has the impact on the organizational commitment that is positive. The results of regression analysis show that variation in organizational commitment is because of organizational culture. The regression table shows that model is fit for regression. The results of regression indicate that significant impact of organizational culture on the organizational commitment. The results of regression analysis show that variation in organizational commitment because of ethical leadership. The results indicate a significant impact of ethical leadership on organizational commitment. The previous study has been done in the field of marketing in which they have discussed ethical leadership and organizational commitment. It shows a definite relationship between ethical leadership and organizational commitment. The prior studies show the strong connection between moral administration and authoritative commitment (Hunt, Wood and Chonko, 1989).

5.1 Managerial Implications

It has been proved that with ethical leadership the job satisfaction can be enhanced. Meanwhile, specifically in educational sectors of Pakistan must adopt these sort of practices.

5.2 Future Research & Recommendations

The present study mainly focused on the private education sector of Islamabad, Pakistan. This study can be extended to other cities of Pakistan. In future research, the public sector and a comparison of public and private education sector can be considered. As per future recommendations, other sectors (i.e. manufacturing, health) could be a target. However, the scope of organizational culture could be stretched in a future study.

5.3 Conclusion

In this research, the relationship of four important variables has been discussed which includes ethical leadership, organizational culture, organizational commitment and job satisfaction. The organizational culture and ethical leadership that is taken as an independent variable, organizational commitment as mediator and job satisfaction as a dependent variable. The current research is conducted in the private educational sector of Islamabad and outcome and literature has shown that ethical leadership and organizational culture have a significant effect on job satisfaction. The mediating effect of organizational commitment cannot be ignored in this study which is again supported by literature and result.

In educational sector the organizational commitment increases the job satisfaction and when the job satisfaction of teachers increases they will produce a good result and ultimately the result of students will increase. The main problem in the private education sector is employee retention, when organizational commitment will be there this problem may also be solved automatically. In today's life, ethical leadership is very important in the private educational sector. The scope of this study can be enhanced by making the comparison in public and private educational sector of Pakistan.

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International Student Satisfaction and Loyalty: A Comparative Study of Malaysian and Australian Higher Learning Institutions

Abstract: Purpose – Factors affecting international student satisfaction and loyalty are crucial for higher learning institutions of Malaysia as the country wants to become a global education hub. The purpose of this paper is to determine the most contributing factors affecting the level of international student satisfaction and how these factors affect loyalty of the students. These factors are academic issues, economic considerations, image and prestige and infrastructure of the university. The study involved the same research in Australia in order to compare situations in these two nations.

Methodology – A structured questionnaire was used to collect data to determine the significant factors affecting the level of satisfaction and loyalty of international students of Malaysian and Australian public universities.

Findings – The primary results demonstrated that towards international students, academic issues and economic considerations are more important than rest of two other factors in Malaysia where in Australia image and prestige are quite significant.
Value – This study contributes to the research of Malaysian educational field and research of Malaysia as a global educational hub as it involves comparison with a developed country like Australia.

Keywords- Student satisfaction, loyalty, higher learning institutions, academic issues, economic considerations

1. Introduction

An emerging source of foreign exchange earning can be Malaysia's ever growing and advancing education sector. The country is earning foreign exchange from this segment. And it can earn more from this if it patronages the sector. The global demand for international higher education may increase to more than 3.5 million by 2025 (Wilkins, Balakrishnan & Huisman, 2012). In another study, it is mentioned that the demand for international higher education may increase from 1.8 million customers to 7.2 million by 2025 where Malaysia, India and China represent 70% of this growth (Shahzad et al., 2016).

Malaysian education is well standard but needs to improve further. The international demand for higher education will increase dramatically with both opportunities and challenges to higher education institutions all around the world (Arambewela & Hall, 2009). Malaysia is trying to become a regional centre for educational hub (Jalali, 2011).

Though everything is positive for Malaysian education there remain some negative facts. Excluding the international students coming to Malaysia, even the Malaysian students are seeking educational services in other countries despite the industry efforts in developing educational infrastructure (Sohail and Saeed, 2003). Once in Malaysia National Accreditation Body rejected 40 programs of private universities because of poor course configuration (Bakar, 2004). Further Rajah and Nadarajah

(2000) mentioned, "Don't be surprised if a student takes one of you to court for not teaching properly." In these days the fact is students cannot wait for any change to take place rather they try to find channels to give their complains (Jalali, 2011).

In most of the education institutions of Malaysia, staffs are not aware of their customer demand or the demand of students, though the authority is concerned (Kanij, Abdul Malek and Wallace, 1999).

In several Malaysian universities the international post graduate students have negative perception about the quality of education. The result of dissatisfaction occurs because the expectations of the students are not met by the universities regarding the quality of education (Shahzad et al., 2016).

Hence arises, the importance of international student satisfaction and their loyalty behaviour. The more satisfied the international students are the more they will spread good words of mouth and the more students from abroad will come. It will be just like the pull strategy of marketing rather the push strategy. In service marketing pull strategy can be more effective as it will call for services from the customers or consumers rather pushing the services from the institutions. In education this strategy will work best. The international students of Malaysia themselves can become good advertisement source and at the same time the country will prosper one step ahead by improving the service quality of education (Carter and Yeo, 2016).

Therefore the factors that affect international student satisfaction and loyalty have great value to find out. Previous researches on Malaysian education mainly focused on specific issues but did not include all significant factors together in the same research and thus the overall picture is not clear regarding which factors are most contributing for international student satisfaction and loyalty. Again most studies are concentrated on local students rather than international students. Hence, the research emphasized in determination of the factors affecting the level of international student satisfaction and it measures how it affects their loyalty in Malaysia (Shahzad et al., 2016). Therefore the factors that affect international student

satisfaction and loyalty have great value to find out. Again if it is possible to compare this with a developed nation like Australia, deeper information will be gained in order to find some common issues to compete and some uncommon issues to convert into competitive advantages. Australia is not only a highly developed country but also the country has achieved third position in the world for its high quality university education in the ranking of University World News (Kerry, 2008).

Therefore the research emphasized in determination of the factors affecting the levels of international student satisfaction and it measured how it affected their loyalty in both countries Malaysia and Australia. Afterwards the study compared the results gained from two different data sets.

2. Context of this study

The study suggests the basic dimensions of the satisfaction and loyalty behaviour of international students of Malaysian universities and which sectors need to improve, change or maintain and what are the other facilities can be added for them to enhance their satisfaction. In order to get this information, this study has included public universities of Malaysia. After the independence of Malaysia, Ministry of Education converted the old system into a new unified national education system. It focused on economic progress, national aspiration and technological development (Education in Malaysia, 2001). The objectives of higher education may include**:** 1. Advancing national integration; 2. Meeting the demand of high level manpower; 3. Improving modern proficiency and technology. Many higher learning institutions from USA, Canada, UK, Australia, France, Germany and New Zealand have offered franchised degree programs with Malaysian higher education institutions (Ministry of Higher Education (MOHE), 2010). According to universitymalaysia.net, Malaysia has become a lucrative study destination because of its international reputation and world standard education orga-

nism. There are 50,000 international students who have come to Malaysia from more than 100 countries. They are studying in different education institutions like schools, colleges, private and public universities, foreign universities branch campuses. Including short-term and professional courses, diplomas, bachelor degree and other post-graduate studies such as master's degrees or doctoral degrees, they have enrolled (Carter and Yeo, 2016).

But influencing knowledge of the students positively is not the only goal of educational institutions rather they should enhance students' total development (Astin, 1993). In order to do so education institutions should continuously collect information about student satisfaction, which is mentioned as an 'ever present campus variable' by many authors (Betz, Menn, Starr & Klingensmith, 1971). It is also mentioned as key outcome of education (Astin, 1993) or 'quality enhancement tool', (Harvey, Plimmer, Moon &Geall, 1997). Sometimes decision makers think whatever the services they provide students will be satisfied. But this is not the case at all. Student satisfaction specially, international student satisfaction is a vital issue. If the students are not satisfied they will be de-motivated in study. The after effect will be serious. The unsatisfied foreign students will not only spread bad words of mouth about any university rather they will negatively advertise the country. In this way not only education sector but also tourism sector will be hampered badly and overall international image of Malaysia will be damaged. Thus international student satisfaction and their loyalty behaviour should be monitored and universities should work accordingly. Based on some research papers, facts may include some kind of dissatisfaction among the foreign students in Malaysia. In this group of dissatisfied international students, some students are quite aggressive and spread bad words of mouth about specific institutes or even about the country and are searching for other university or country to switch; some of them are trying to solve problems by complaining or in other ways and on the other hand, some students are just neutral in their actions but still dissatisfied. This is a big problem for the education industry of the country and its international

image. Thus in order to solve this problem, decision makers or the authority must learn which factors play the contributing roles to satisfy foreign students of Malaysia and ultimately impact on their loyalty behaviour.

Adjustment of the foreign students in another country can be another reason of dissatisfaction. Black and Gregersen (1991) define adjustment as the degree of any person's physiological adaptation and comfort in a new setting. Studying in a foreign country can be stressful and it requires different types of adjustments. Dissatisfaction may originate from failure in proper adjustment. Adjustment can vary from culture to culture and country to country. Another significant issue is that the adjustment should take place in different universities differently in the same country. Thus adaptation or adjustment in a specific university of foreign country is also important (Carter and Yeo, 2016).

Many students are quite comfortable in the institutions of their own countries but face difficult problems in the whole new environment of an institute in the foreign land. The differences may include communication system, infrastructure, socio-economic situation, teacher-student relationships, relationships between and among other foreign and local students (Shekarchizadeh et al., 2011). According to Ham (2003), dissatisfaction of foreign students may cause several consequences like, 1. It will hamper the intention of repurchase or international student loyalty; 2. Foreign students will not recommend the university to others who seek advice from them; 3. It may cause switching from one university to another (Shahzad et al., 2016).

Every organization seeks loyal customers which can be gained through by customer satisfaction. Customer satisfaction for any institution is as important as air for human life (Jalali, 2011). Service industry is spreading and advancing at a very high rate. Thus this industry has become more competitive than ever before. As a result consumers of services, their preferences and their satisfaction have become very crucial for the success of the companies and institutions involved in the industry (Carlborg, Kindström & Kowalkowski, 2014). Among the sectors of services education

service has great value. Higher education sector has become increasingly competitive as local and foreign students are more concerned than before and they expect to fund for themselves for their study (Angell et al, 2008). Therefore student satisfaction is a crucial issue in this industry. In this education industry it has become very difficult to create competitive advantages (Cubillo-Pinilla et al, 2009). Educational institutions are searching new ways to create point of difference and competitive advantages as the domestic and international demand and competition have increased (Rasli and Naim, 2005). In order to retain tuition based returns, measuring service quality and student satisfaction are two essentials (Angell et al, 2008). At last as per the theory of service another most vital issue is experience based out come from where it is clear that the service quality should be ensured and it should fulfil the requirements of the consumers and only then the outcome will be up to the mark(Wu, Yeh & Woodside, 2014). Therefore in order to get good quality students, education quality should be ensured as per the demand and only by their satisfaction their quality can be ensured. All the relevant researches are mostly conducted in western countries hence the results are quite different from Malaysia. To get better insight of the situation, here a comparison is entailed. As Australian education system is quite comparable with that of Malaysia and as the country Australia has achieved a great place in international education thus this research involved Australia for comparison.

3. Theoretical discussion

In the theory of customer satisfaction it is mentioned that every customer or consumer has a level of expectation related with any product or service. If any company or institute can meet the expectation of its customers or consumers they will be satisfied. If it fails to do so then the customers will be disappointed and unsatisfied. If the company can provide more than their expectation the customers will be delighted (Kotler & Armstrong,

2001). In today's competitive world one of the major intentions of companies is to delight their customers.

Beside customer satisfaction customer loyalty should be analyzed. According to Anderson (1998), there is significant relationship between satisfaction and loyalty where dissatisfied customers conduct more disloyal behaviour than satisfied customers. Satisfied customers have intention to recommend the product or service to others and re-purchase the same brand of product or service or re-purchase it from the same company or service provider (Wiedemann and Anderson, 1985). If a customer has a good experience with any product or service he or she will be encouraged to share his/her experience or satisfaction to other people (Parasuraman et al, 1991; Stauss and Neuhaus, 1997; Pizam and Ellis, 1999). It is clear that there is significant positive relationship between customer satisfaction and loyalty (Najib et al, 2011).

3.1 Academic issues and student satisfaction and loyalty

Based on the requirements of students teaching guidelines and materials should be fixed. Thus good teaching is essential to satisfy any student and meet his or her basic needs and demands. Certain vital matters help a student to define the quality of education of any institution. All these can be varieties of courses with world class syllabus, promptness of admission office etc. In this case at first any student or foreign student searches whether the specific university has any suitable program same or relevant according to his or her expectation. Another major thing is international students try to find information about the standard of education, whether it is up to the mark or not and whether it is comparable with the world standard or not. Thus this sector should be given great value to improve its efficiency to make the students satisfied and loyal (Jalali, 2011).

Students come to any university after they can gain enough positive information about the education quality of that institute. On the other hand,

it can be said that the first and foremost goal of students is to get good quality or well standard education (Kamal et al., 2010).

According to Chen, Haiso and Lee (2005), student loyalty is very much affected by academic activities, knowledgeable faculty and specialized courses. Here student expectation includes faculty members to improve the knowledge of the students, faculty professional expertise and their ability to demonstrate.

From the above discussion several hypothesis can be made like:

H: Academic issues have positive influence on international student satisfaction

H: Academic issues have direct positive influence on student loyalty behaviour

H: Student satisfaction has mediating effect between academic issues and student loyalty behaviour

3.2 Economic considerations and student satisfaction and loyalty

International students select universities based on the availability of fund or it can be said that fund becomes a major contributing factor of their university selection decision and satisfaction. Funding is also important to retain the students. Fund can come from different sources and in different forms. It can be scholarships from any university or outside sources or there can be working facilities provided by the universities with expected salary. Sometimes students are also concerned about the full free studentship or some kinds of concession on their fees. All these information are important to any new comer (Abe et al., 1998).

Economic considerations, casual jobs, cost of living are directly involved in the macro level of economic factors. These can affect in a great deal in the satisfaction level of any international student. These are more difficult and

uncontrollable variables for foreign students, rather than local students as foreign students live in an unfamiliar environment (Arambewela & Hall, 2009).

Students with funding needs do not move from their country at under graduate level. These types of students are found generally at Masters and PhD programs. Thus these students try to get information regarding the funding facilities of individual universities. Based on this issue they choose educational institution and sometimes destination country (Burke, 1986).

Based on the mentioned literatures few hypotheses can be made and these are:

H: Economic considerations have positive influence on international student satisfaction

H: Economic considerations have direct positive influence on student loyalty behaviour

H: Student satisfaction has mediating effect between economic considerations and student loyalty behaviour

3.3 Image and prestige and student satisfaction and loyalty

Image and prestige issue is more important to any foreign student than a local student. Generally foreign students take or try to take admission in those universities which are more renowned and famous. It can be measured in three different dimensions. Image and prestige may vary in the host country, home country or in the world as a whole. Any foreign student values image and prestige of any educational institutions in which he or she wants to study. After that the student may be concerned about the image of that particular university in its home country and international ranking or brand image also play great role in the level of satisfaction of the international students and it ultimate affects their loyalty (Arambewela, 2008).

As image and prestige of any university can create better career opportunities for the students thus it is very crucial for international stu-

dents especially for the post graduate students. But gaining image and prestige internationally as an educational institution is not an easy task. It requires great commitment, excellent delivery of education and quality research. Only because of image and prestige any student can choose the same institute if there is any possibility of further study (Arambewela & Hall, 2009). Thus image and prestige have significant impact on the international student loyalty behaviour.

Great emphasis should be given on this issue as it not only affects the level of satisfaction of foreign students but also seriously influences their choice of educational institutions or university and sometimes their study destination (Mullins et al. 1995).

The retention of current students and attraction of potential students depend greatly on the image of any university (Arambewela & Hall, 2009).

According to the literatures several hypotheses which can be made are:

H: Image and prestige have positive influence on international student satisfaction

H: Image and prestige have direct positive influence on student loyalty behaviour

H: Student satisfaction has mediating effect between image plus prestige and student loyalty behaviour

3.4 Infrastructure and student satisfaction and loyalty

The environment in which students study and the surrounding of university must be seriously considered. In physical environment there are certain factors such as lighting, layout, appearance of building, classrooms, and overall cleanliness all these are important for student satisfaction and allegiance (Jalali, 2011). The infrastructure, its appropriateness and even the attractiveness are also important to any student especially to a foreign student. Thus uses of modern equipment and technology, visually appealing physical facilities, visually appealing materials etc. all are contri-

buting factors in the concern of student satisfaction and loyalty (Shekarchizadeh et al., 2011).

Student satisfaction depends on various types of factors. It may start from the lecturers to other services or facilities. In these services and facilities two forces can be mentioned like, technology access to computer facilities, availability of modern facilities. IT and other related services or facilities should be advanced and up to date to quench the thirst of modernization need of students. Universities should understand the expectations of students regarding appropriate learning environment (Arambewela & Hall, 2009).

The importance of library to the academicians, students and all research fellows is great. Thus in the determination of international student satisfaction level, library facilities should be asked to confirm the adequacy and quality of this service. Here two key factors may include the quality and the quantity of books. Availability of required text books and other supportive books are very critical on which student satisfaction can be enhanced or totally damaged (Kiran, 2010).

Residential requirement is regarded as an essential element provided by universities to satisfy the students. To achieve social solidity student housing should be well planned and well standard which will facilitate desirable educational outcomes from the students (Hassanain, 2008).

International students expect comfortable accommodation facility should be provided by universities at reasonable cost. Here another important point is that students expect this sort of accommodation should be provided by the universities whenever it is needed(Arambewela & Hall, 2009).

As per the related literatures the hypotheses those can be made are:

H: Infrastructure has positive influence on international student satisfaction

H: Infrastructure has direct positive influence on student loyalty behaviour

H: Student satisfaction has mediating effect between infrastructure and student loyalty behaviour

3.5 Relationship between Student Satisfaction and Student Loyalty

As the students are treated as consumers therefore the relationship between consumer satisfaction and consumer loyalty can be discussed here. Now a days it is very easy for the customers to switch as there are lots of options they can do it with minimum effort and cost. Most of the cases it is easier to satisfy the current customers rather to gain new customers (Kotler & Armstrong, 2001).

Customer satisfaction can be the minimum goal but not the ultimate one as more than this can be required sometimes. Customers should be delighted thus the service providers should give them more than their expectation. In this way over satisfied customers are needed to build loyalty.

Shekarchizadeh et al. (2011) has developed a model where it is clear that there is strong relationship between customer satisfaction and customer loyalty. Here company image and service quality affect customer satisfaction and customer satisfaction creates customer loyalty.

Therefore from the discussion the hypothesis can be made:

H: International student satisfaction has positive influence on student loyalty

3.6 Effect of country of origin

In order to get deeper and rich information about the issue that is the factors affecting international student satisfaction towards loyalty behaviour can be compared between a developing country Malaysia with that of a developed nation Australia. Therefore the hypothesis is:

H: Country of origin (Malaysia/Australia) has moderating effect on international student satisfaction towards loyalty

3.7 Summary of the hypothesis

H1: Academic issues have positive influence on international student satisfaction

H2: Economic considerations have positive influence on international student satisfaction

H3: University image and prestige have positive influence on international student satisfaction

H4: University infrastructure has positive influence on international student satisfaction

H5: International student satisfaction has positive influence on student loyalty

H6: Academic issues have direct positive influence on student loyalty

H7: Student satisfaction has mediating effect between academic issues and student loyalty

H8: Economic consideration has direct positive influence on student loyalty

H9: Student satisfaction has mediating effect between economic consideration and student loyalty

H10: Image and prestige have direct positive influence on student loyalty

H11: Student satisfaction has mediating effect between image plus prestige and student loyalty

H12: Infrastructure has direct positive influence on student loyalty

H13: Student satisfaction has mediating effect between infrastructure and student loyalty

H14: Country of origin (Malaysia/Australia) has moderating effect on international student satisfaction towards loyalty

4. Methodology

The study was conducted from 2012 to 2016. Quantitative techniques are followed in modelling the analysis of the data. Data collection of the study is done through survey method. The research design is appropriate for this study for two reasons. First, it is difficult for the researchers to manipulate the variables (Emory and Cooper, 1991). Second, respondents cannot be easily assigned to treatment and control groups, as they are assigned in experimental studies.

Survey method for data collection and structural equation modelling for data analysis are well established and well accepted in the field of business and marketing**.** According to Malhotra (1999) to obtain accurate and complete information about the research problem, questionnaire is the most formalized tool. In addition survey method is the appropriate approach to examine the research hypotheses. The questionnaire has achieved the objectives of the study. With the help of this questionnaire information regarding the factors that affect international student satisfaction is gained and at the same time how their satisfaction affects their loyalty behaviour is focused.

Here random sampling is used to select the samples. Other than some sampling methods, random sampling has greater probability of obtaining a well representative sample. In random sampling method all elements in the selected population have an equal chance of being selected for the study (Gay and Airasian, 2003). Since the objectives of the study are to answer research questions that are related to a subgroup within the population, thus stratification technique is suitable for the current study. In 20 public universities questionnaires were distributed to the international students in Malaysia and Australia.

For the basic constructs and the variables as a whole, the questions of the study are derived from the literatures and the existing theories. Lascu, Ashworth, Gies and Omar (1995) argued that if numerical scales exceed

5-point scale then it can be very complex for the respondents to make their judgement about a particular statement. Thus, in this study 5-point likert scale is used to measure the responses of the questions. The scale includes 5 different levels of responses like: 1- Strongly Disagree; 2- Disagree; 3- Neutral/Not Sure, 4- Agree, 5- Strongly Agree.

In this study exploratory factor analysis, confirmatory factor analysis and structural equation modelling were used to analyze data. Here the sampling units are the international students that study in different Malaysian and Australian universities. In this descriptive analysis, means, standards deviations, frequency distribution, and percentages etc. are included. Exploratory factor analysis measures the relationships of certain variables which affect the satisfaction of foreign students here. One variable can be treated as significant within one factor if the factor loading is greater than 0.5 and an eigenvalue equal to or greater than 1.0 Cronbach's alpha coefficient is used to test the reliability of the scale. CFA uses multivariate technique in order to confirm hypothesis or pre-determined relationships and it measures the significance level of any independent variable on the dependent variables (Hair et al., 2010). Before proceeding towards CFA there are certain essential tests to conduct. These may include correlation or communalities test, KMO and Barlett's test of adequacy. It may extend further to goodness of fit index, results of chi-square, degrees of freedom, p-value, reports of CMIN, Root-Mean Square Analysis (RMSEA), Comparative Fit Index (CFI) and Normed Fit Index (NFI), Tucker-Lewis Index (TLI) or non-normed fit index etc. Overall fit of data, content validity, convergent validity, discriminant validity, unidimensionality analysis, and reliability are essential to evaluate the adequacy of measurement model. It can be ensured by content validity that the measure includes representative set of items which describes the concept and also its adequacy.

In order to test the reliability of the scale Cronbach's alpha coefficient is used. The lower limit for Cronbach's alpha coefficient is .60 - .70 generally (Hair et.al, 1998). Further, to test the construct validity confirmatory

factor analysis along with structural equation modelling is used. In social sciences SEM has become the most popular technique for data analysis (Hooper et al., 2008).

In this study, SEM is used to determine whether the estimated population covariance matrix of the research model is consistent with the sample or observed covariance matrix. If the model is adequate the parameter is able to estimate the regression coefficients, variances. The covariance produces an estimated matrix which is closed to the sample covariance matrix. Here overall closeness is evaluated primarily by various fit indices.

5. Results and discussion

It is clear that international students who study in Malaysia are quite comparable regarding gender. The percentage of male was 53.3% and that of their counterpart female was 46.7%. The study involved post graduate international students but majority of them was within 20- 29 years old but still 7% of them have fallen within the group of 50 years and above. Around 60% of the respondents were married. Even though the study engaged post graduate students but most of the students were full time students rather employed. The rest of the students were either govt. or private job holders. Around 55% of the students were self-financed and the rest of them had scholarship. (Appendix)

In Australia male international students are double than their counter parts. The highest number of students falls in between 20 to 29 years of age and the second highest falls within the age of 30 to 39. Most of the students are married. Here most of the students are full time students. The number of self-financed students and that of scholarship holders are quite comparable. (Appendix)

In order to measure the reliability of an instrument Cronbach's alpha is the fundamental tool. If the value of Cronbach's alpha is more than 0.60 then it indicates the instruments as reliable(Malhotra, 2008). The table 1

shows the overall reliability statistics in which overall Cronbach's alpha is .828 for overall instrument and that is satisfactory.

Table 1. Overall Reliability

Reliability Statistics	
Cronbach's Alpha	N of Items
.828	40

Source: Author's Computation (2014)

Factor analysis measures the interrelationships among the large number of composing variables. It determines the set of variables where there is the high interrelationship(Hair et al, 2010). It helps reducing the number of total items and selects the most relevant one under the specific construct or phenomena. On the contrary, few assumptions and preconditions are supposed to be satisfied before applying the factor analysis. Those assumptions help to confirm the fitness of data for applying the factor analysis.

It is already mentioned that the objective of factor analysis is to find the appropriate items of the specific constructs. In order to do so, the analysis has a comprehensive process. Overall factor analysis application is discussed broadly in the followings.

The table 2 shows that the sample is adequate for factor analysis as the KMO value is more than .60 and significant value of Bartlett's test of sphericity is good enough. All these indicate the study can carry on factor analysis.

Table 2.KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.815
Bartlett's Test of Sphericity	Approx. Chi-Square	2943.167
	Df	378
	Sig.	.000

Source: Author's Computation (2014)

Factor extraction is defined as a cluster or grouping of variables in distinctive factors. Eigen value is used as the most common criteria in order to choose the appropriate number of factors. Eigen value or latent root value 1 or greater determines the expected number of factors in the study (Malhotra, 2008). After running and revising the factor analysis several times, the final table has been shown below where total six factors are extracted. More than 60 percent of variance is explained with the help of the extracted factors in the dataset.

The entire variables are loaded in the rotated component matrix into six factors. Additionally, few of the items were also cross loaded under more than one construct. The rotated factor loadings define the possibility of the consequential factors.

Table 3. Rotated Factor Matrix

Factor Name	Rotated Component Matrix						
	Component Variables	Component					
		1	2	3	4	5	6
Academic Issues							
AI2	Versatility of Academic Programs		.815				

AI3	Admission Process		.834				
AI4	Quality of lectures		.821				
AI5	Lecturers' supportive attitude		.807				
AI6	Service of admin staff		.789				
Image and Prestige							
IP1	Image and prestige in home country			.787			
IP2	Image and prestige in host country			.784			
IP3	Image and prestige internationally			.754			
IP4	Continental image and prestige			.783			
IP5	Wide recognition of the institutions			.793			
Economic Consideration							
EC1	Cost of education	.840					
EC2	Scholarship opportunity in University	.790					
EC4	Financial assistantship from outside of the university	.842					
EC5	Cost of Living	.843					
EC6	Fees reduction program	.841					
Infrastructure							
IF1	Physical infrastructure						.795
IF2	ICT facilities						.730
IF3	Library facilities						.724
IF4	Cafeteria						.742
Student Satisfaction							

SS1	Fulfilling overall expectation					.729	
SS2	Consumption experience					.732	
SS3	General feelings					.759	
SS4	Effective Performance of the Institutions					.768	
Student Loyalty Behaviour							
SLB1	High level of attachment				.714		
SLB2	Reasons not convenience cause loyalty				.749		
SLB3	Consistently meet the needs				.684		
SLB4	Positive words of mouth				.661		
SLB5	Properly coordinated activities				.654		

Source: Author's Computation (2014)

Table 4. Total Variance Explained

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.893	17.476	17.476	4.893	17.476	17.476	3.537	12.634	12.634
2	3.323	11.866	29.342	3.323	11.866	29.342	3.524	12.585	25.219
3	3.055	10.912	40.255	3.055	10.912	40.255	3.124	11.157	36.375
4	2.554	9.121	49.376	2.554	9.121	49.376	2.510	8.963	45.339
5	2.043	7.298	56.674	2.043	7.298	56.674	2.481	8.862	54.201
6	1.639	5.853	62.527	1.639	5.853	62.527	2.331	8.326	62.527
Extraction Method: Principal Component Analysis.									

Source: Author's Computation (2014)

Rotated component matrix shows the meaningful factor rotation in the table 3. To avoid the cross loading under the multiple factors, the value of factor loading less than .40 or below must be suppressed(Sekaran, 2010). As each factor needs to be unique and distinct, after several running of the factor analysis the above rotated matrix shows the ultimate demonstration of items associated with the respective factors. Some of the items were excluded because of the cross loading.

Based on the theory and literatures of the study, final factors are Academic Issues, Economic Considerations, Image plus Prestige, Infrastructure, Student Satisfaction and Student Loyalty Behavior.

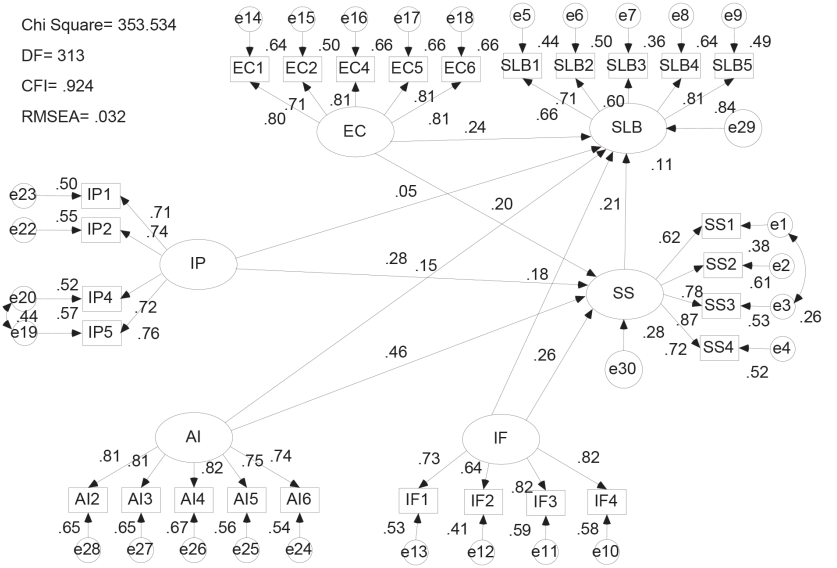
In SEM, critical ratio or C.R value 1.96 is used as the benchmark for testing the hypothesis. In order to establish the stronger relationship, the greater value is expected. C.R values of the research suggest that, all the constituting factors (independent and mediating variables) have the signi-

ficant positive influence on student loyalty behavior except the direct relationship between Student Loyalty Behavior and Image and Prestige and the direct relationship between Student Loyalty Behavior and Academic Issues as because all the C.R values are greater than 1.96 except the C.R values for the above mentioned relationships.

After few modifications, the main model is improved. For an instance, CMIN/DF is less than 5 while RMSEA and CFI values are also in the range of cut off values (Hair et al., 2010). The measurement errors can be related as the correlations are logical (Figure 1). The result of the revised model: CMIN/DF = less than 5, CFI=.924 and RMSEA .032, all these indicate a good fit of the CFA (Figure 1).

Therefore, it is found that the proposed model to measure student loyalty behavior through student satisfaction is fit with the given responses from the Malaysian and Australian higher learning institutions. Additionally, the tested values of the parameter estimates are significant and not involve any offending estimate. Further, the model is statistically appropriate and there is no contradiction with theoretical justifications and result is logical. As noted above, squared multiple correlation (SMC) shows the reliability of the variables and the variance in the endogenous variables are accounted by the predictors (Tabachinik and Fidell, 2007).

Figure 1. Revised Baseline Model



Source: Author's Computation (2014)

Table 5. Standard Regression Weight (Revised Baseline Model)

			Estimate	S.E.	C.R.	P	Label
SS	<---	AI	.313	.056	5.590	***	Accepted
SS	<---	EC	.128	.044	2.937	.023	Accepted
SS	<---	IP	.102	.049	2.102	.036	Accepted
SS	<---	IF	.122	.047	2.595	.030	Accepted
SLB	<---	SS	.242	.116	2.094	.036	Accepted
SLB	<---	AI	.058	.068	.853	.393	Not Accepted
SLB	<---	EC	.125	.063	1.984	.045	Accepted
SLB	<---	IP	.035	.060	.580	.562	Not Accepted
SLB	<---	IF	.212	.096	2.220	.026	Accepted

Source: Author's Computation (2014)

One of the major objectives of the study is to find out whether there is any difference between the international students of Malaysian and Australian higher learning institutions, regarding the factors affecting their satisfaction and loyalty behavior. Therefore the ultimate hypothesis of the study is: Country of Origin has Moderating Effect on International Student Satisfaction towards Loyalty.

In order to investigate the moderating effect, SEM follows a particular process. First, data is divided on the basis of the responses of two different groups and saved under different group names. Afterwards, two separate AMOS models are developed by using two different data sets and labeled with different names and if there is no significant difference between the models, it will proceed for the next stage of invariance analysis. At last, Chi Square values for both Constrained and Unconstrained models including Degree of Freedom, the study calculates if the difference of Chi Square and Degree of Freedom for two groups is significant. If, it is not significant then it can be conferred that the two models are identical and the nature of respondents does not have any moderating effect on the study.

Table 6. Result of Multiple Group Modeling (Constrained Vs Unconstrained)

Model	X^2	Df	Critical value	ΔX^2	Sig
Constrained	717.589	628	.905	1.142	Not Sig
Uncon-strained	695.119	627			

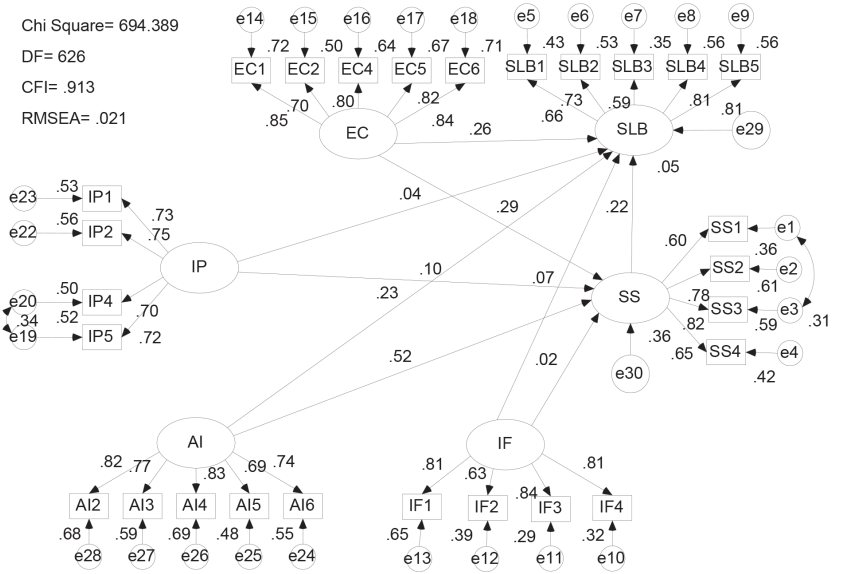
Source: Author's Computation (2014)

In this study, Figure 2 and 3 show the unique response of the two groups of respondents as international students in Malaysia and as international students in Australia. Based on these Figures, it is clear that there is no moderation seen. Therefore, it moves to the next stage of Invariance Analysis

considering both Constrained and Unconstrained types of models in order to see if there is any difference between Chi Square values in according to the DF values which are significant. In Constrained model, all the hypothesized relationships are constrained. That means, relationships between the paths of AI to SS, EC to SS, IP to SS, IF to SS, SS to SLB, AI to SLB, EC to SLB, IP to SLB and IF to SLB are constrained associated with the static parameter values for both groups. If the critical value is less than the table value, then it is considered that the ΔX^2 and Δdf (Table 6), two models are not significantly different to each other (Hair et al., 2010). Therefore it means that Country of Origin does not moderate the proposed model of this study.

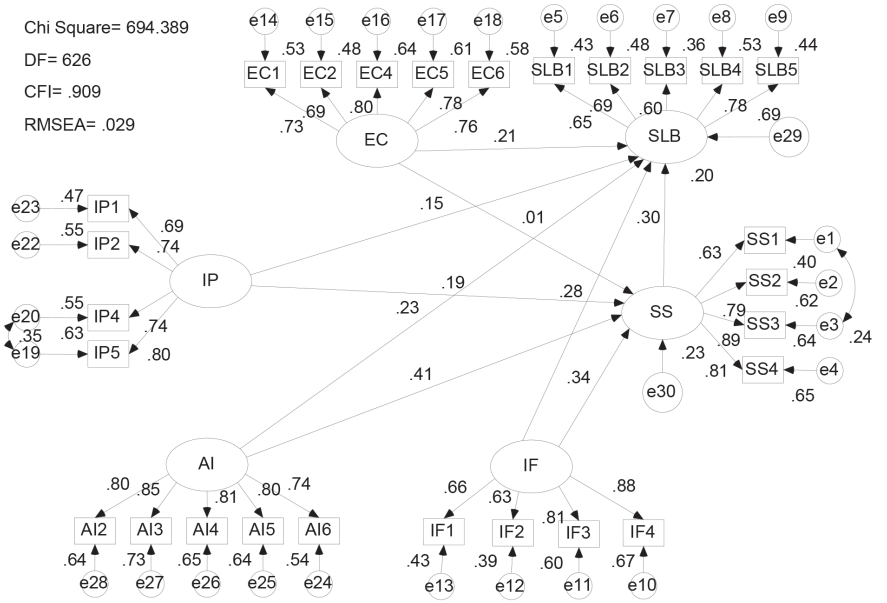
Conversely, these two groups are different in the aspects of specific paths and item loadings. For an example, the relationship between Student Satisfaction and Student Loyalty Behavior is more significant in Australia than that of Malaysia. Additionally, International Students in Malaysia think Academic Issues and Economic Considerations are more important for their satisfaction rather than the international students in Australia. Other factors are quite comparable to affect Student Loyalty Behavior. All the statistical paths of these two separate models are not identical.

Figure 2. Unique Response of the International Students in Malaysia



Source: Author's Computation (2014)

Figure 3. Unique Response of the International Students in Australia



Source: Author's Computation (2014)

It can convey the proportion of variance among the constituting items of the constructs. For the analysis of expected level of convergent validity, certain conditions are needed to be fulfilled. At first, most of the factor loadings of the constructs should be greater or equal to .70. Secondly, the construct reliability should be greater than .60. At last, the average variance extracted (AVE) should be .50 or more. (Hair et al, 2010). Factor loadings values are greater than .70 in most of the cases. Further AVE values are also greater than .50. If the AVE value is closer to .50 (where total number of respondents is over 200), there is nothing wrong with the issue of convergent validity (Hair, 2010). Additionally, in the case of reliability, all the values are greater than .70 under each construct and the threshold value is .60.

Discriminant validity tests statistically whether two constructs differ to each other (Hair et al., 2010). To confirm this validity, average variance extracted under each construct is compared with the squared correla-

tion (r square) with those of other constructs. If there is positive difference between AVE and r square then the uniqueness of the constructs are ensured. In this case, AVE should be greater than the square multiple correlation value. In each case AVE is bigger than the squared multiple correlation value. Thus, discriminant validity is confirmed in the analysis and all constructs are unique. (Appendix)

6. Conclusion

This study is conducted in order to meet some objectives. These objectives may include, finding out the significant factors that affect international student satisfaction and loyalty behavior in Malaysia and also in Australia, measuring the significant level of relationship between international student satisfaction and their loyalty behavior in both countries and finding out the mediating effect of student satisfaction between the given factors and student loyalty behavior. As the study was conducted in two countries thus it gives an opportunity to compare between these two countries on the given issue. This is to find out the moderating effect on the whole process of factors affecting international student satisfaction with an extension of their loyalty behavior. Here, the moderating variable is country of origin (Malaysia/Australia). From this measure it is easy to find out whether there is any difference between these two countries and whether the difference is significant or not. By using Structural Equation Modeling (SEM), several results could be achieved. Based on several statistical and scientific researches and the results found by this study, a conclusion can be made.

It is found by the study that, international students of Malaysia and Australia treat the four factors significant while connecting them with their satisfaction level. There exists full or partial mediation of International Student Satisfaction between individual factors and International Student Loyalty Behavior except for one factor. Thus the study supports the role of mediation in the model. But there are slight differences between these two

countries. Based on the Standard Regression Weight it is clear that, in Malaysia Academic Issues and Economic Considerations are more important rather than Image & Prestige and Infrastructure to foreign students. Other factors are quite comparable in these two countries. Thus the moderating effect of country of origin is clear and concerning the overall difference it is non-significant.

7. Implications and Recommendations for Future Research

In the context of Malaysia this sort of study is not sufficient, even though it was very common in western culture. But day by day Malaysia has achieved a respectable position in the world market for its high quality and competitive higher education system. Additionally, the number of international student is increasing greatly. Therefore, the topic of the study where the core factor is international student has great value. In order to improve this sector and to sustain the credibility in the competitive world market, international student satisfaction and loyalty are most important issues.

Thus, the study has found which factors are more important to the foreign students for their satisfaction and loyalty so that policy makers can invest their time, money and effort for the betterment of those factors. On the other hand, the study has involved Australia, the country which has achieved third position in the international education market. By involving this country a good comparison can be made on this issue and the outcome of the research may lead to proper guidelines for Malaysia where the country can or try to hope a position like a developed country Australia in the international education market. Consequently, the study has both theoretical and practical significance as the findings of the research may fill the imperative research gaps that were identified in the literatures.

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Appendix

Sample Demographics (Malaysia)

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	98	53.3	53.3	53.3
	Female	86	46.7	46.7	100.0
	Total	184	100.0	100.0	

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-29	105	57.1	57.1	57.1
	30-39	37	20.1	20.1	77.2
	40-49	29	15.8	15.8	92.9
	50 and Above	13	7.1	7.1	100.0
	Total	184	100.0	100.0	

Marital				
	Frequency	Percent	Valid Percent	Cumulative Percent
Married	113	61.4	61.4	61.4
Unmarried	54	29.3	29.3	90.8
Others	17	9.2	9.2	100.0
Total	184	100.0	100.0	

Occupation					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Full time student	82	44.6	44.6	44.6
	Govt' Employee	50	27.2	27.2	71.7
	Private Job	52	28.3	28.3	100.0
	Total	184	100.0	100.0	

Edu expenditure					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Scholarship	83	45.1	45.1	45.1
	Self-Finance	101	54.9	54.9	100.0
	Total	184	100.0	100.0	

Source: Author's Computation (2014)

Sample Demographics (Australia)

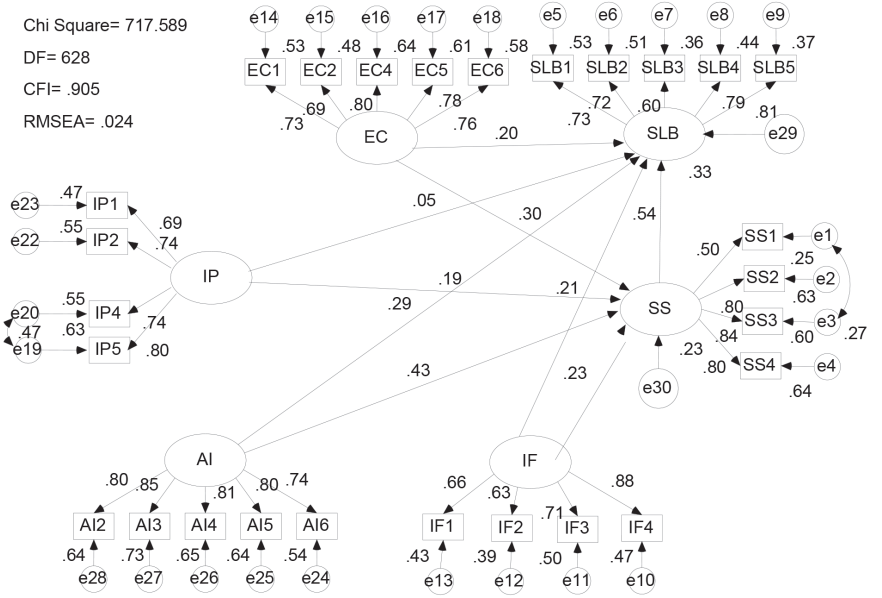


Figure 4. Constrained ModelSource: Author's Computation (2014)

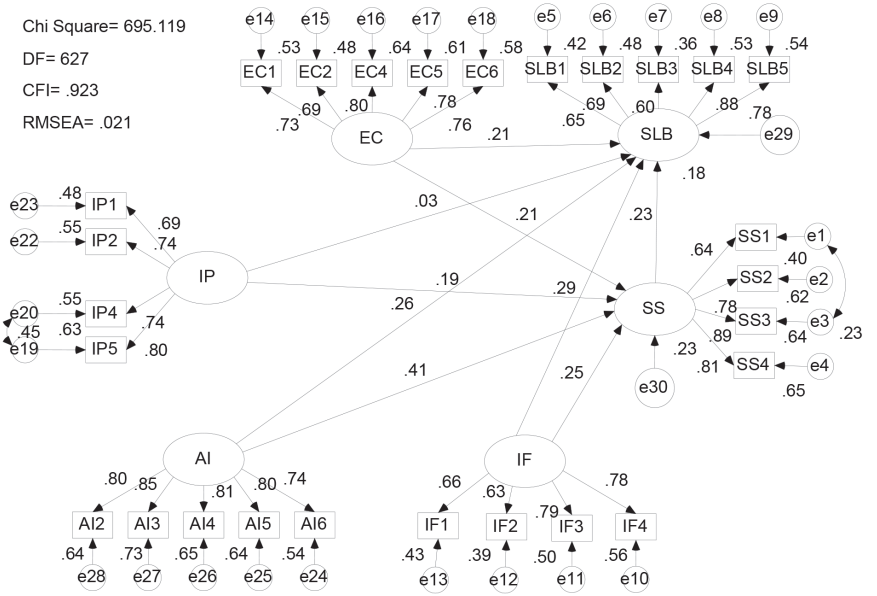
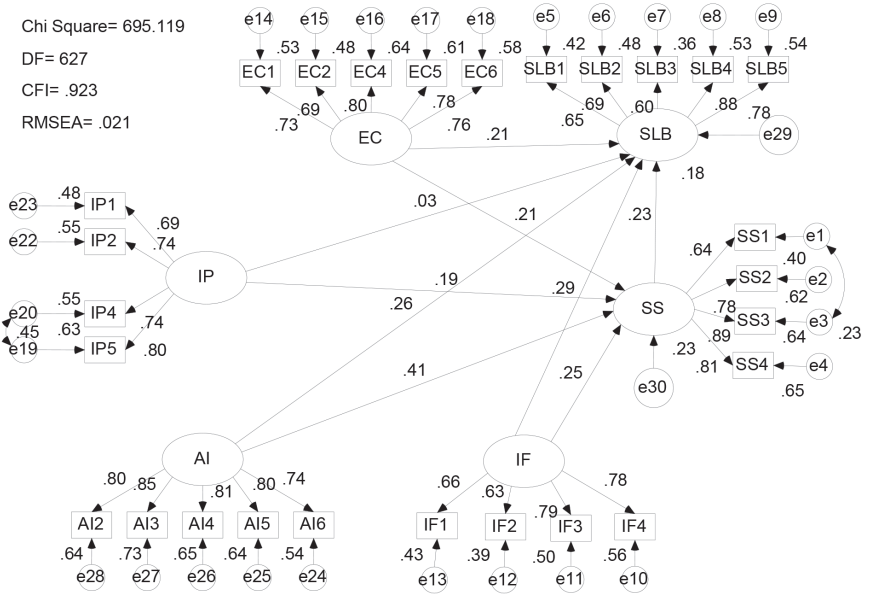


Figure 5. Unconstrained Model



Source: Author's Computation (2014)

Factor Loadings, AVE and Construct Reliability Computation for the Constructs

	SS		IF		AI		IP		EC	
	Loading	Square L	Loading	Square L	Loading	Square L	Loading	Square L	Loading	Square L
L1	0.68	0.4624	0.73	0.5329	0.89	0.7921	0.71	0.5041	0.8	0.64
L2	0.78	0.6084	0.69	0.4761	0.81	0.6561	0.75	0.5625	0.71	0.5041
L3	0.84	0.7056	0.82	0.6724	0.82	0.6724	0.77	0.5929	0.81	0.6561
L4	0.72	0.5184	0.84	0.7056	0.74	0.5476	0.75	0.5625	0.81	0.6561
L5					0.74	0.5476			0.81	0.6561
Sum	3.02	2.2948		2.387		3.2158		2.222	3.94	3.1124
S.Sum	9.1204	5.266107		5.697769		10.34137		4.937284	15.5236	9.687034
1-L1		0.5376		0.4671		0.2079		0.4959		0.36
1-L2		0.3916		0.5239		0.3439		0.4375		0.4959
1-L3		0.2944		0.3276		0.3276		0.4071		0.3439
1-L4		0.4816		0.2944		0.4524		0.4375		0.3439
1-L5						0.4524				0.3439
SUM		1.7052		1.613		1.7842		1.778		1.8876
AVE		0.5737		0.59675		0.64316		0.5555		0.62248
C.R		0.842484		0.779367		0.852856		0.735231		0.836919

Note: Here, AVE = Average Variance Extracted and C.R = Construct Reliability. S. Sum= Square Sum. For every case AVE is greater than .50 and C.R is greater than .60 show good level of convergent validity.

Source: Author's Computation (2014)

AVE vs. Squared Multiple Correlation Value of the Constructs

AVE VS Squared Multiple Correlation value of the constructs					
	SS	IF	AI	IP	EC
SS	0.57	0.0441	0.2401	0.0361	0.1156
IF	0.21	0.59	0.0289	0.1156	0.1444
AI	0.49	0.17	0.64	0.1444	0.3025
IP	0.19	0.34	0.38	0.55	0.1849
EC	0.25	0.11	0.66	0.43	0.62

Note: this table shows that all the predictors (constructs that predict the DV) are unique in nature. Here, Diagonal values represent AVE where Correlation and Multiple Correlation of the constructs are placed below and above respectively.

Source: Author's Computation (2014)