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# TRANS Asian Journal of Marketing Management Research (TAJMMR)

(Double Blind Refereed & Reviewed International Journal)



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# TRANS Asian Journal of Marketing Management Research (TAJMMR)

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## A STUDY ON IMPACT OF WORKING CAPITAL MANAGEMENT ON COMPANIES PERFORMANCE

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### ABSTRACT

*Finance is the significant facet of every business. Regardless of whether the business big or small, government or non government, business is a wingless bird without finance. Funds can be procured through various modes. Every organization likes to achieve its objectives through considering the economy, efficiency, and effectiveness. The main focus of the research is to identify the effective working capital management of the listed Hotels and Travels companies through comparing the companies' details or information regarding the working capital management. In this research, Colombo Stock Exchange (CSE) hand book and its website ([www.csc.lk](http://www.csc.lk)) are used. There are 288 Companies in the Colombo Stock Exchange now. Among them, the research has selected listed Hotels and Travels sector for analyzing its working capital management. There are 35 Companies. But 25 listed hotels and travels companies' data are available for five years that is from 2008 to 2012. Financial performance is measured by using the profitability of the listed hotels and travels industry. The researcher has used three important analyses for this purpose; they are Ratio analysis, Correlation analysis, and Regression analysis.*

**KEYWORDS:** Working Capital, Liquidity, Profit, Return On Equity

## INTRODUCTION

### BACKGROUND OF THE STUDY

Working capital management is the important or necessary to all organization whether profit oriented or not for smooth day to day operations. Capital to keep an entity working is working capital. It helps to shareholders and creditors to determine prospect of payment of dividend and interest. This research will help to identify liquidity position of companies coming under each sector and to discover ability to meet short term requirements of the firms. This research of working capital management of listed hotels and travels companies helps to determine the ability of firms to repay its current debt promptly and assess the effectiveness of the management of working.

Now a day, tourism is one of the important ways for earning the foreign income in Sri Lanka. Because Sri Lanka is beautiful country around the natural places. There are many tourists' attraction places in Sri Lanka. After the end of the local war or critical situation, visitors who are at any corner of the world come and see these places. For this purpose, infrastructures are important to attract the tourists. Hotels and Travels business is increasing their activities and the value of the firm in Sri Lanka. Therefore the researcher has selected this study to analysis the value of the listed Hotels and Travels companies.

Many researches could be done in developed and developing countries regarding this title but there is no research done in Sri Lanka till now.

### OBJECTIVE OF THE STUDY

The main objective of the study is to discover the relationship between working capital and profitability of the Listed Hotels and Travels Companies in Sri Lanka.

- To calculate working capital of Listed Hotels and Travels Companies
- To identify how working capital affects on profitability.
- To evaluate liquidity position of Listed Hotels and Travels Companies
- To examine impact of account receivables days, inventory days and cash conversion cycle on return on total assets and Return on equity.
- To analysis the trend in working capital needs of the firms and to examine the case for any significant differences between listed Hotels and Travels companies.
- To evaluate the behavioral trend in working capital elements of Listed Hotels and Travels Companies

### LITERATURE REVIEW

Working capital management, which deals with management of current assets & current liabilities, is very important in corporate finance because it directly affect the liquidity and profitability of the firm. Efficient working capital management involves planning & controlling current assets & current liabilities in a manner that eliminate the risk of inability of the firm to meet the short term obligations and to avoid excessive investment in these assets on the other hand.

**Gill, Biger & Mathur(2010)** : The paper seeks to extend Lazaridis and Tryfonidis's findings regarding the relationship between working capital management and profitability. A sample of 88 American firms listed on New York Stock Exchange for a period of 3 years from 2005 to 2007 was selected. They found statistically significant relationship between the cash conversion cycle and profitability, measured through gross operating profit.

**Talha, Christopher, Kamalavalli (2010)** Working capital management almost always determines the ability of a firm to earn profit. The study focuses on the impact of working capital management on profitability of selected Indian corporate hospitals. The time span is ten years from 1996 to 2006. The results of regression analysis point out that the current ratio, cash turnover ratio, proportion of current assets to operating income and leverage have a negative influence on profitability. Stepwise regression analysis has identified seven prominent variables that significantly influence profitability. Path analysis reveals that 'quick ratio' has the highest direct effect on profitability, while 'current ratio' has the least direct effect.

**Abdul Raheman and Mohamed Nasr (2007):** Working Capital Management has its effect on liquidity as well on profitability of the firm. this researcher have selected a sample of 94 Pakistani firms listed on Karachi Stock Exchange for a period of 6 years from 1999 – 2004. Pearson's correlation, and regression analysis (Pooled least square and general least square with cross section weight models) are used for analysis. The results show that there is a strong negative relationship between variables of the working capital management and profitability of the firm.

**Chowdhury & Amin (2007)** The focus of this survey was to assess Working The paper is used stratified random sampling to select eight out of the twenty-five firms listed in the Dhaka Stock Exchanges, for a period of 2000 to 2003. Qualitative information was collected on the basis of a questionnaire in a face-to-face interview with the appropriate person of the firms. A positive correlation has been found in the mathematical model, between current asset management and financial performance of Pharmaceutical firms. Thus it is evident that for the overall performance of this industry, working capital plays a vital role.

**Greg Filbeckn & Krueger (2007)** Firms are able to reduce financing costs and/or increase the funds available for expansion by minimizing the amount of funds tied up in current assets. They provide insights into the performance of surveyed firms across key components of working capital management by using the CFO magazine's annual Working Capital Management Survey. They discover that significant differences exist between industries in working capital measures across time. In addition, they discover that these measures for working capital change significantly within industries across time.

**Kesseven Padachi (2006)** A well designed and implemented working capital management is expected to contribute positively to the creation of a firm's value The purpose of this paper is to examine the trends in working capital management and its impact on firms' performance. The dependent variable, return on total assets is used as a measure of profitability and the relation between working capital management and corporate profitability is investigated for a sample of 58 small manufacturing firms, using panel data analysis for the period 1998 – 2003. The regression results show that high investment in inventories and receivables is associated with

lower profitability. The key variables used in the analysis are inventories days, accounts receivables days, accounts payable days and cash conversion cycle. A strong significant relationship between working capital management and profitability has been found in previous empirical work.

## HYPOTHESIS

The research is based on the following hypotheses:

**H1:-** There is a relationship between liquidity, working capital and profitability.

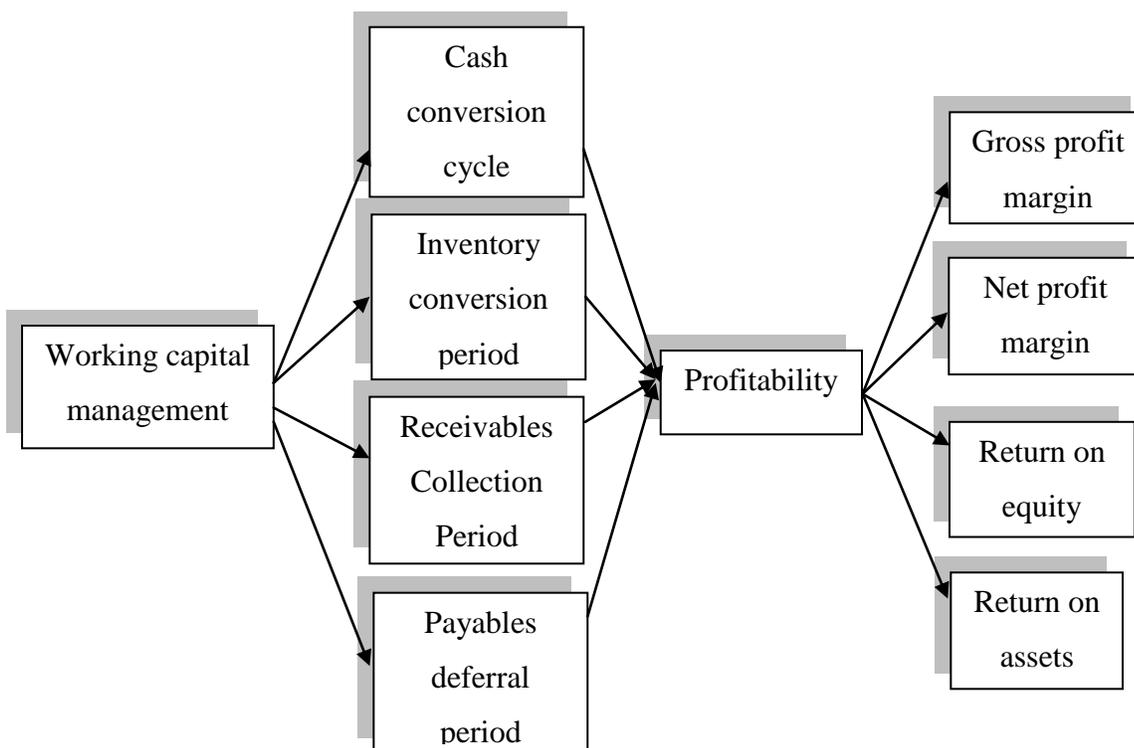
**H2:-** Working capital management significantly impact on the profitability.

## METHODOLOGY

In this research, Colombo Stock Exchange (CSE) hand book and its website ([www.csc.lk](http://www.csc.lk)) are used. There are 288 Companies in the Colombo Stock Exchange now. Among them, the researcher has selected listed Hotels and Travels sector for analyzing its working capital management. There are 35 Companies. But 25 listed hotels and travels companies' data are available for five years that is from 2008 to 2012.

## CONCEPTUALIZATION

The diagram shows that working capital management is how to relate the firm's profitability. The concept of working capital management originated that the operations are the buying inventory, selling the inventory, paying off the bank loan, and then repeating the cycle.



## RESULTS & DISCUSSION:

The researcher has used the following technique for analyzing the data. Descriptive statistics, correlation and regression analysis are used for this purpose.

### Descriptive analysis

The following table can be explained this techniques.

**TABLE 1**

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
cr	125	.08	101.13	3.2554	11.61474
qr	125	.07	101.12	3.1344	11.62556
netwcr	125	-2.44	2.35	-.0411	.40886
ablratio	125	.00	100.11	2.1925	11.50049
taturn	125	-.69	.72	.0915	.23412
icp	125	.00	681.13	58.3179	70.16461
dcp	125	.00	1538.65	92.1310	164.89160
ccp	125	.00	1852.67	283.5891	292.88070
netprm	125	-6.10	6.38	-.0660	1.04311
gpm	125	-5.60	8.97	.6497	1.00640
ROE	125	-.69	.91	-.0003	.16347
ROA	125	-.50	.42	.0035	.09800
Valid N (listwise)	125				

In the above table, 125 observations have been used for analyzing minimum, maximum, mean and standard deviation for each variable. The average current ratio is 3.2554 and quick ratio's average is 3.1344. The average of inventory conversion period is 59 days, average debtors' collection period is 93 days to collect money from debtors and 284 days are taken to pay to the creditors' money. The average net profit margin is -0.0660 and gross profit margin is 0.64. Return on Equity ratio is -0.003 and Return on Assets is 0.0035. Therefore each variable are given in above table briefly.

**H1:- There is a relationship between liquidity, working capital and profitability.**

### Correlation analysis

**TABLE 2**

	qr	icp	dcp	ccp	netprm	gpm	ROE	ROA
cr	1.000	-.112	-0.059	-.122	.540	.155	.274	.447
qr		-.115	-.059	-.110	.539	.155	.274	.446
icp			.735	.433	-.380	-.104	-.133	-.077
dcp				.459	-.507	-.175	-.123	-.098
ccp					-.275	-.115	-.316	-.155
netprm						.519	.398	.430

<b>gpm</b>							.134	.283
<b>ROE</b>								.504

Correlation is significant at the 0.01 (2-tailed)

According to above table, correlations between current ratio and quick ratio are 1.000 that is perfect positive relationship. Correlations between current ratio and inventory conversion period are -0.112 that is weak negative relationship. Correlations between current ratio and debtor's conversion period are weak negative relationship (-0.059). Correlation between current ratio and creditors' conversion period are -0.112 that is weak negative relationship. Correlations between current ratio and net profit margin ratio are average positive relationship (0.540). The weak positive relationships between current ratio and gross profit margin is 0.115. Correlations between current ratio and Return on equity are weak positive relationship that is 0.274 and the Correlation between current ratio and Return on Assets ratio are average positive relationship that is 0.447.

Correlations between quick ratio and inventory conversion period (-0.115), Correlations between quick ratio and debtors' conversion period (-0.059), and Correlations between quick ratio and creditors' conversion period (-0.110) are weak negative relationship. Correlations between quick ratio and net profit margin (0.539), Correlations between quick ratio and Return on assets ratio (0.446) are average positive relationship. Correlations between quick ratio and gross profit margin (0.115), and Correlations between quick ratio and Return on equity (0.274) are weak positive relationship.

Correlation between inventory conversion period and debtors' conversion period is strong positive relationship that is 0.735. Correlation between inventory conversion period and creditors' conversion period is average positive relationship that is 0.433. Correlation between inventory conversion period and net profit margin is average negative relationship, its value -0.380. Correlation between inventory conversion period and gross profit margin (-0.104), Correlation between inventory conversion period and Return on equity (-0.133), Correlation between inventory conversion period and return on assets (-0.077) are weak negative relationship.

Correlation between debtors' conversion period and creditors' conversion period is average positive relationship that is 0.459. Correlation between debtors' conversion period and net profit margin (-0.507) is average negative relationship. Correlation between debtors' conversion period and gross profit margin (-0.173), Correlation between debtors' conversion period and return on equity (-0.123) and Correlation between debtors' conversion period and return on assets (-0.098) are weak negative relationship.

Correlation between creditors' conversion period and net profit margin (-0.275), Correlation between creditors' conversion period and gross profit margin (-0.115) and Correlation between creditors' conversion period and return on equity (-0.316) and Correlation between debtors' conversion period and return on assets (-0.155) are weak negative relationship.

Correlation between net profit margin and gross profit margin (0.519), Correlation between net profit margin and return on equity (0.398), Correlation between net profit margin and return on assets (0.430) are average positive relationship.

The weak positive relationship between gross profit margin and return on equity, and gross profit margin and return on assets are 0.134, 0.283 respectively. Correlation between return on equity and return on assets is average positive relationship, its value 0.504. Therefore, the relationship between liquidity, working capital, and profitability is easily identified through this method.

## H2: Working capital management significantly impact on the profitability.

### Regression analysis

Regression analysis is suitable tool in the hypothesis. The following table is summarized this relationship. To test the hypothesis, inventory conversion period, debtors' conversion period, creditors' conversion period and cash conversion cycle are considered as dependent variables. Then, independent variables are Return on equity, return on assets, net profit margin and gross profit margin.

**TABLE 3 MODEL SUMMARY**

Model	Variables	R <sup>2</sup>	Remain
1	ccc-ROE	0.151	0.849
2	Icp Dcp - netprm Cdp	0.259	0.741
3	ccc- ROA	0.318	0.682
4	Icp Dcp - gpm Cdp	0.214	0.786

The above table is explained, model 1 is that 15.1% of the cash conversion cycle depends on profitability and other factors will influenced on 84.9%. Model 2 is that 25.9% of the variables (inventory conversion period, debtors' conversion period, and creditors' conversion period) depend on profitability and other factors will influenced on 74.1%. Model 3 is that 31.8% of the cash conversion cycle depends on profitability and other factors will influenced on 68.2%. Model 4 is that 21.4% of the variables (inventory conversion period, debtors' conversion period, and creditors' conversion period) depend on profitability and other factors will influenced on remaining 78.6%.

For analyzing purpose, the following regression equations are derived.

$$Y = \beta_0 + \beta_1 x$$

Where y – Dependent variable  
x – Independent variable

TABLE 4

Model	Variables	Constant	Beta value	sig
1	ccc-ROE	0.015	-0.001	0.050
2	Icp Dcp - netprm Ccp	0.271	-9.210 -0.003 -0.001	0.020 0.000 0.044
3	ccc- ROA	.005	-1.860	0.045
4	Icp Dcp - gpm Cdp	0.758	0.001 -.001 -.001	0.040 0.010 0.030

So, working capital management is significantly impact on profitability. Significant level of each variable is less than 0.05.

### CONCLUSION

Current assets are different level between among the sector's companies. So companies should maintain current assets to their requirements. If not, excess assets are idle funds which earn no profits for the companies. If suddenly, some surplus funds arise, they should not be allowed to remain idle but should be invested in short term securities. Current liabilities are different level in company to company.

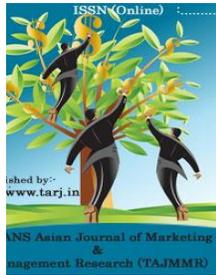
Current ratio is different level in company to company. It is high or low in company to company, and it is compared with the industry average of current ratio. So, firms are faced inadequate or excess working capital and low profitability.

Quick ratio is different level in the companies. And low value compared with standard (1:1). Here liquidity ratio of companies may really be prospering and paying its current obligation in time. Other ratios such as, ROE, and ROA, are also decided by level of working capital. Therefore, listed hotels and travels industry should consider its assets and liabilities that are maintained effectively.

Working capital management is of particular important to the hotels and travels industry. Cash conversion cycle, debtors' collection period, creditors' conversion period and inventory conversion period are determining profitability. Therefore working capital management significant impact on profitability of hotels and travels industry in Sri Lanka.

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# TRANS Asian Journal of Marketing Management Research (TAJMMR)

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## INTERNATIONAL EXPERIENCE IN THE DEVELOPMENT OF ALTERNATIVE ENERGY AND THE OPPORTUNITIES OF UZBEKISTAN IN THE DEVELOPMENT OF RENEWABLE ENERGY SOURCES

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### ABSTRACT

*Uzbekistan has sufficient potential for the development of alternative energy sources; renewable energy sources are one of the key objectives of the development of the electric power industry, the implementation of which will improve the country's energy security. The article analyzes the main directions of development of alternative energy in the world and the possibilities of Uzbekistan for the development of renewable energy sources. The issues of assessing the*

*potential and possible use of solar, wind, hydro, bio and petrothermal energy in Uzbekistan, including the creation of solar and wind power stations, are considered.*

**KEYWORDS:** *Energy, Renewable, Solar Electricity, Wind Electricity, Hydropower, Technology, Energy Potential, Alternative, Source, Resources.*

## INTRODUCTION

Every year the world economy has a great need for energy. Oil, gas and coal are and will remain in the near future the main source of energy, but alternative energy is also developing at the fastest pace. According to most long-term forecasts, recoverable reserves of fossil fuels in the world are more than 1 trillion barrels of oil, about 168 trillion cubic meters of natural gas, 1 trillion tons of coal and over 3 million tons of uranium. As is known, in the structure of world primary energy consumption, fossil energy resources account for 85% and only about 15% for atomic and renewable ones [1].

According to the International Energy Agency (IEA) World Energy Outlook 2017: in the period from 2010 to 2016, the capacity of coal-fired power plants increased by 65 GW per year, during the period 2017-2040. the expected increase in coal generation is less than 20 GW. The increase in gas generation is expected at a rate of slightly less than 50 GW per year [16].

As a result of the massive use of traditional energy resources, global environmental problems have arisen. Among them - climate change, the destruction of the ozone layer and others. According to experts, the industrial emission of carbon dioxide into the atmosphere exceeds 5 billion tons per year, and carbon monoxide - about 300 million tons. The volume of harmful emissions compared with the 50s of the last century has increased on the planet 3.5 times and has a steady upward trend [1].

The main causes of the trend towards the development of new types of energy are:

- Limited supply of traditional energy resources;
- Environmental problems associated with the extraction and processing of energy resources;
- a continuous increase in the consumption of energy resources by industry and the population, associated with a rapid increase in its number [8, 9].

In 2015, record low prices were set in the UAE (0.0584 dollars per kWh), Peru and Mexico (0.048 dollars per kWh). In 2016, a price of \$ 0.03 per kWh was proposed at an auction for the purchase of solar generation capacities in Dubai [IRENA, 2016b]. At the same time, in the next 20 years, it is expected that the cost of installed capacity for industrial producers will fall by 25–40%. The theoretical potential of renewable energy exceeds the annual volume of global renewable energy production by almost 9 thousand times [12]

Wind energy began to develop rapidly as an industry in the 90s of the last century [13, 14]. Already at the end of 2010, the total capacity of all wind farms amounted to about 200 GW, and the amount of electric energy produced by all wind farms in the world amounted to 430 TW · h. Some countries are developing particularly rapidly wind energy. So, currently in Denmark more

than 28% of electric energy is produced by means of wind power stations, in Portugal - 20%, in Spain - 18%, and in Germany - 10%. In 2014, the capacity of German wind farms was 38.1 MW, and in Denmark - 3.4 MW. [15].

The development of renewable energy is one of the urgent tasks of the electric power industry, both in our country and in the world. Many countries - world leaders, for example, in wind energy (Denmark, Germany, Canada, China and others) - are provided with traditional energy resources (gas, coal, uranium) and at the same time actively implement projects to develop renewable energy sources as the main sources of electricity [4].

The development of solar generation received a powerful impetus after the signing of the Paris Climate Agreement, under which 175 countries committed to limit greenhouse gas emissions in the name of a common goal - to prevent the average temperature on the Earth from rising by more than 2 ° C by 2100 g [7].

Thanks to many years of active support policies, technological development, rapid growth and a sharp reduction in the cost of solar photovoltaic and wind energy, renewable electricity is currently cheaper in many parts of the world than with newly installed hydrocarbon and nuclear power; in some places it is cheaper than in ordinary ones [5].

The total installed capacity of the electric power sector of Uzbekistan totals more than 11,264 MW, 39 power plants operate with a total installed capacity of 11,000 MW, with the potential for generating electricity in the amount of more than 55 million MW / h. The basis of energy resources for generating electricity in the Republic is natural gas and oil products, it provides more than 80% of the total electricity generated in the country.

Nevertheless, with each year, with an increase in the growth rate of gross national production (GDP), electricity consumption is growing, as a result of which there is a shortage of it. According to experts, due to a shortage of electricity, the Republic annually suffers about \$ 6 billion in economic damage. To solve this problem, Uzbekistan adopted a development strategy and modernization of the electric power industry. Particular attention is paid to renewable energy sources.

The country's demand for electricity will increase by 2030 against the existing ones by about two times and will exceed 105 billion kW / h, thereby confirming the fact that the use of new highly efficient technologies and renewable energy sources in Uzbekistan is not just one of the options, but a necessity. The introduction of renewable energy sources becomes the most important factor not only in balancing the growing demand and consumption of energy resources, but also in the growth of innovative potential within the framework of the country's economic development.

The use of renewable energy sources for the development of Uzbekistan is necessary in order to ensure energy, environmental, economic security, as well as ensuring sustainable development of the republic's energy sector

Favorable climatic and geographical conditions of the Republic of Uzbekistan make it possible to involve renewable energy sources in the energy balance. By the number of sunny days per year, and this is more than 320 days, our country surpasses many regions of the world. The involvement of renewable energy sources in the overall energy balance of the country will serve:

to preserve energy independence for a long period; improving energy supply, especially in rural and remote places; reduction of harmful gas emissions; stable development of the country.

According to international banks, the gross potential of solar energy in Uzbekistan is estimated at 50.9 billion tons of oil equivalent, and technical - at 179.8 million tons of oil equivalent, hydropower - 9.2 million tons. AD, wind energy - 2.2 million tons of oil equivalent, biomass - 2.3 million tons of oil equivalent, petrothermal resources (heat of dry rocks) - 6,700,000 million tons of oil equivalent, i.e. in absolute value, the annual energy of solar radiation entering the territory of the country exceeds the energy potential of proven reserves of carbon raw materials throughout Uzbekistan.

Research in the field of the use of solar energy was greatly developed in Uzbekistan in the 80s of the last century. A scientific and experimental center of the NPO "Physics – Sun" of the Academy of Sciences of the Republic was built. The scientific complex includes a large solar furnace with a solar concentrator with a capacity of 1 MW. In 2013, an International Institute was established in Tashkent to conduct scientific and scientific research of solar energy. In 2014, the Namangan region of Uzbekistan in test mode launched the country's first small solar station with a capacity of 130 kW.

Until 2030, the construction of 25 solar power plants is planned in the Republic. Attracted foreign investment of more than 1.3 billion dollars. Uzbekistan and Skyrover Global have entered into an agreement on the construction of solar power generation facilities in Uzbekistan with a total capacity of 1,000 MW. To implement this project, land plots are allocated in Tashkent, Samarkand, Navoi, Jizzakh, Kashkadarya and Surkhandarya regions [17].

The implementation of this project in the future will allow Uzbekistan to join the leading countries in terms of the development of solar energy.

The Resolution of the Cabinet of Ministers of Uzbekistan "On measures to develop renewable energy sources and attract private investment for the creation of photovoltaic stations" dated August 8, 2018 provides for the launch of a pilot project for the construction of a 100 MW solar power station in the Navoi region on a public-private partnership. The investment program for 2019 includes 33 energy projects worth 8.1 billion US dollars. This year, it is planned to launch seven major energy projects with the development of about 620 million US dollars [10]. Another type of renewable energy is wind energy. In Uzbekistan, to date, the use of wind for the production of electricity has not been carried out. In Uzbekistan, research, survey and design work is mainly carried out to select the best territories and sites suitable for wind power and wind power stations, as well as optimal wind power plants (wind turbines) for the strength and speed of the wind. Among them, the following promising projects are being implemented:

- development of an updated Atlas of the distribution of wind speed and a cadastre of wind energy throughout the country;
- determining the wind energy potential and the most promising regions with its greatest importance;
- development of experimental wind turbines and the creation of small industrial wind farms.

In order to accumulate experience in the design, construction and operation of wind turbines in the Republic in 2010, wind turbines with a capacity of 750 kW were built together with South Korean companies. The annual electricity generation is 1.3 million kWh. Currently, a project is underway to build a 100 MW wind power station, worth \$ 250 million. According to the estimates of Uzbek and German experts within the framework of a joint project to assist SJSC "Uzbekenergo" on the development of renewable energy [2], the forecast potential of wind energy in Uzbekistan is more than 520 GW of capacity installed on 17 thousand square meters. with potential production of 1.07 trillion. kWh of electricity annually. This will provide 25 percent of Uzbekistan's energy needs [3].

Based on the Atlas of wind speed distribution developed by SJSC "Uzbekenergo", two of the most promising areas were identified - in the Navoi region and in the south of Karakalpakstan for further detailed experimental studies in order to clarify the values of their WEP. At these sites, meteorological 85-meter masts with instruments for determining speed, wind direction, density and air temperature were installed. Through the satellite system, these devices transmit information to the server in the online mode for analysis.

The first of the largest wind energy projects are planned for implementation in Tashkent, Bukhara and Navoi regions with a total potential wind farm capacity of about 200 MW. In Tashkent region, the construction of an industrial wind farm with a capacity of 5 MW is nearing completion. [15].

Renewable energy sources also include agricultural waste. This waste is an excellent source of biogas. It can be used not only for domestic purposes, but also for generating electricity. The main raw materials for biomass are cotton stalks and agricultural waste. They are distributed across all agricultural fields of the republic. Therefore, it is economically viable to create autonomous plants using agricultural waste together with waste from livestock farms and complexes for biogas production.

The most affordable, reliable and cheapest source of electrical energy from renewable energy is the hydropower of small hydropower plants. They are effective in the presence of rivers with sufficient differences and can be successfully used for energy supply of rural settlements, especially in mountainous and hilly areas.

Small hydropower plants have several advantages:

- allow you to use the potential of small rivers and watercourses, solve social problems of the region, build small hydropower plants without significant flooding of land and without blocking the full river alignment;
- show less load on the ecosystem of rivers;
- require lower initial capital costs and operating costs [11].

The resources of 650 rivers flowing through the territory of Uzbekistan, numerous irrigation canals and reservoirs provide high potential for the construction of small hydropower plants.

According to [3], the hydropower potential of Uzbekistan is estimated at 88.5 billion kWh, or 9.2 million toe, including technical - 27.4 billion kWh, or 1.81 million toe, out which today uses

about 31%. Until 2021, the republic plans to modernize and reconstruct 19 existing hydroelectric power stations of the energy system. As a result of these works, the capacity of the hydroelectric power station will increase by 100 MW, an additional 450 million kWh of electric energy will be generated and 200 million m<sup>3</sup> of natural gas saved. Petrothermal resources are considered the most promising for energy use in the republic - huge massifs of granitoids occurring at a depth of 4-6 km, heated from 70 to 3000C.

To estimate the gross potential, averaged thermograms were calculated to a depth of 3,000 m, taking into account the average statistical values of the heat flux density and thermal conductivity of rocks. Calculations showed that the gross potential of geothermal energy contained in dry heated rocks, in a volume limited to a depth of 3 km and an area of the Republic of Uzbekistan, is 6,700,000 million tons of oil equivalent. The technical possibilities of using petrothermal resources have not yet been determined due to the lack of optimal technologies.

It should be noted that geothermal waters are also available in almost all regions of the republic. The national average temperature of these waters is 45-50 C.

The country's demand for electricity by 2030 will increase against the existing ones by about two times and will exceed 115 billion kW / h. The introduction of renewable energy sources becomes the most important factor not only in balancing the growing demand and consumption of energy resources, but also in the growth of innovative potential within the framework of the country's economic development.

## CONCLUSION

RES can already provide an autonomous supply of energy to energy-deficient and inaccessible regions of Uzbekistan. Increasing the share of environmentally friendly energy sources and developing research in order to develop new energy-saving technologies is one of the global challenges of energy.

Subject to the accumulation of experience and support from the state, the participation of large companies can and should lead to the development of renewable energy sources in Uzbekistan, contribute to the achievement of the Development Strategy of the Republic until 2035. All this, taking into account the great potential of Uzbekistan in the field of renewable energy, objectively necessitates the need for multilateral cooperation with developed countries in this field.

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## ABOUT THE BENEFITS OF MISWAK IN MOUTH MICROPHOLOGY

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### ABSTRACT

*This article analyzes what miswak is and its benefits to the oral microflora. Ways to maintain healthy teeth and protect them from various diseases with natural remedies, ways to use miswak. One of the biggest advantages of the modern era is the wide range of food options, the change in taste sensations. Sweet, sour, bitter, fresh, processed - in your supermarket you will definitely find a wide selection of products for every taste. The peculiarity of Miswak is that there are no doubtful cases. This natural toothbrush can be used from early childhood (of course under adult supervision), as well as during breastfeeding and lactation. Thus, the risk of caries is reduced. Miswak accelerates the healing of such diseases of the oral cavity as gingivitis, stomatitis, periodontitis and has anti-inflammatory properties that help accelerate it. In the East, 4-month-olds are given a stick during shaking to relieve discomfort and reduce mucus.*

**KEYWORDS:** Miswak, Saudi Arabia, Healthy Teeth, Oral Microflora, Bacteria.

### INTRODUCTION

#### Historical data

In recent years, researchers in the field of dentistry have been actively using traditional medicine to treat various diseases of the oral cavity, both in the West and in Arab countries. In their research, they focused on the beneficial properties of the al-arak tree, which grows in Pakistan, the Arabian Peninsula, and some other countries in the East. For a long time, Muslims made special dental floss - sivak - from the branches and roots of this tree. The name of these toothpicks is derived from the Arabic word "saka" - "rubbing".

What is Miswak? This is a natural stick used to clean teeth and from a branch or root of Salvador Persia, i.e. from a tree called vodka. When chewed, the structure is divided into separate dense fibers that resemble ordinary toothbrush bristles. Another popular name is Sivak. Sivak - a

traditional natural toothbrush Sivak is of excellent quality has a pungent odor, a pleasant bitter taste, "burns", and the stick is flexible and not dry. Exported plasters are usually placed in a vacuum coating, as a result of which the plaster can retain its freshness for several months. Miswak has been actively used to maintain oral and dental hygiene since ancient times, and today it is especially popular in Islamic countries, and its use is artificial, i.e., a necessary action for all Muslims. Sivak is also popular among supporters of healthy eating, vegetarians, syroedov. Vodka branches contain various valuable components: tannins, essential oils, resins, saponins, alkaloids, styrene, flavonoids, organic acids, mineral salts, fluorine, sulfur, soda bicarbonate, cellulose, vitamin C, silicon dioxide.

One of the biggest advantages of the modern era is the wide range of food options, the change in taste sensations. Sweet, sour, bitter, fresh, processed - in your supermarket you will definitely find a wide selection of products for every taste. However, especially the presence of sugar-rich foods and the appearance of processed foods are reflected in the increase in caries. Caries occurs when the enamel (shiny white coating on the teeth) is destroyed. But why this is the answer is simple. The oral cavity is filled with hundreds of different varieties of bacteria, some beneficial, some harmful. These bacteria use the starch and sugar present in the food to form oxidizing acid in the breast, and thus they contribute to the process of destruction. Finally, this process leads to the formation of cavities in the teeth. Saliva helps in the fight against tooth decay, prevents the production of acid and restores teeth in a timely manner. It also helps to quit smoking. Regular consumption of sivak helps to clean teeth, strengthens gums, eliminates various stains and plaque, has a positive effect on the condition of the mucous membrane, improves speech, prevents the appearance of gray hair, removes mucus, improves eyesight, as well as improves the functioning of the stomach and intestines.

**Useful properties of miswak:** Miswak increases saliva production in the mouth due to its taste and aroma without any purchased enhancers and additives. In addition, Miswak is a natural remedy for caries. Silicone compounds provide a defined whitening effect and eliminate stains on the enamel. The microflora of the oral cavity is normalized: bacteria and fungi are destroyed, and beneficial microorganisms, on the contrary, become proliferative, providing natural protection of the mucous membranes. Thus, the risk of caries is reduced. Miswak accelerates the healing of such diseases of the oral cavity as gingivitis, stomatitis, periodontalitis and has anti-inflammatory properties that help accelerate it. In the East, 4-month-olds are given a stick during shaking to relieve discomfort and reduce mucus. The use of miswak affects the biologically active points that are responsible for the functioning of the sensory organs (ear, eye, tongue, nose), back nerves and vital systems of the human body. Strengthen the flesh, restore structure and increase the density of tooth enamel. Normalization of the vibration process. Improving the digestive processes that start in the mouth and continue in the stomach during the interaction of chewed food with saliva.

The resulting calculation and the loss of plaque. After applying Miswak, it is refreshed with a breath that gives a pleasant taste to the mouth. Helps enhance volume & tone Reducing the likelihood of spread of pathogenic microorganisms from the oral cavity through the parenchyma, respiratory organs (most bacteria, viruses and fungi enter the human body through the mouth), increase the overall tone of the person, strengthen the immune system.

Miswak can be used by people of all ages, but can also cause allergies in some people. The peculiarity of Miswak is that there are no doubtful cases. This natural toothbrush can be used from early childhood (of course under adult supervision), as well as during breastfeeding and lactation. Sivak has almost no adverse effects, but can cause allergic reactions and individual hypersensitivity to the components of the composition.

**How to use:** Do not use old sticks with a diameter of more than 10 millimeters to clean the teeth (those that are thick and hard will increase in hardness). First, rinse the salt thoroughly with warm water. Then you need to remove the bark from one end, loosening a piece 1–1.5 cm long. Then pinch the pocket until it turns into a fiber and it looks like a brush. Now, you don't brush your teeth, gums and tongue by moving the natural sand sand on the surface. It is recommended to cut the bird after each use, but you can wash it thoroughly and use it two or three times. After cutting, the centimeter portion of the stick should be cleaned and chewed once more. One miswak is about enough for regular use twice a day. Important: If the tooth enamel is thin or damaged, but do not press down on the tooth enamel.

**Storage properties.** To preserve all the properties of Miswak, for example, place it in a container and put it in the refrigerator, or in the winter put it on a window sill and store it in a cool place in a separate bag. Under such conditions, Sivak is stored for two to three months. It can be a year in a closed package. If you care about your teeth, try using a natural miswak brush to maintain their hygiene. And now you know all its useful properties. The advantage of miswak over toothpaste. Today, research by international medical and pharmacological centers has shown that Sivak (a branch of the vodka tree that grows only in Saudi Arabia) has integral prophylactic properties to prevent diseases of the teeth, periodontal and oral mucosa: prevent gum bleeding, strengthen the structure of the teeth. Sivak contains more medicinal and antibacterial substances than any industrial toothpaste. Calculations have shown that it contains 25 different natural healing ingredients, so it is necessary for the care of our teeth.

In short, miswak has many benefits, as evidenced by the World Health Organization. The World Health Organization has taken Sivak by surprise and released a document explaining its importance in protecting teeth. It should be noted that this assessment came 14 centuries behind medical advances. Modern science has already proven the effectiveness of protecting Sivak's teeth from caries, and this is confirmed by the words of the prophet who made every effort to preserve the culture of using Sivak. This is a wonderful proof of a prophetic miracle, a culture used 1,400 years ago that has been obsolete over time. The benefits of this natural remedy are well known.

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## PECULIARITIES OF TECHNOGENIC INFLUENCE OF THE INDUSTRY OF ALMALIK CITY ON THE NATURAL ENVIRONMENT

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### ABSTRACT

*The article considers the issues of techno-genic influence of technological processes of the industry of Almalyk region. Based on the study, it was found that the pollution process has been going on for more than 5 decades as a result of the infiltration of contaminated waters of open pits, dumps, slag collectors of the smelter (MPZ), the "Ammophos" production association (PO), and the tailings of the copper processing plants (MOF-1 and MOF- 2), as well as due to the leakage of reagents of the sulfuric acid workshop through the rocks of insignificant thickness of loess like loams and the penetration of polluting components into the aquifers. Due to the action of the infiltration flow, a change in the chemical composition of soils occurs on solid soil particles, a number of chemical compounds are adsorbed. Based on the research results, a scheme was compiled "the techno-genic impact of industrial enterprises of the Almalyk region on the geo-ecological environment".*

**KEYWORDS:** *Geoecology, Natural Landscape, Technological Processes, Geosystem, Tailings, Self-Cleaning Process, Water-Bearing Rocks, Adsorption, Infiltration, Chronic Pollution.*

### INTRODUCTION

By increasing production growth rates, building new quarries, factories, factories, and mankind has created the problem of environmental protection. The concept of geoecology has appeared in earth sciences - a new scientific direction for the study of the earth's crust as a habitat and human life [1, 2001].

In the Almalyk mining and industrial region, mining and processing industries are developing, urban construction of the city economy, along with great importance in the economy of the

republic, has a significant negative impact on the environment. At the same time, its intensive change and deterioration of the state of geo-ecological conditions takes place, the natural landscape changes, peculiar landforms are formed represented by quarries, dumps, tailings of OJSC Almayk Mining and Metallurgical Combine (AMMC), Production Association Ammophos and other industrial enterprises. Without touching upon issues of the technology of extraction, transportation and processing of raw materials, we note that now an important task is the further development and implementation of technological processes for the processing of mass industrial waste from industrial enterprises in order to reduce environmental pollution [2, 2002].

### THE MAIN FINDINGS AND RESULTS

When analyzing the impact of industrial wastes on the natural environment, special attention is paid to the following factors: area of distribution, impact on the relief, soil, surface and groundwater.

Currently, the land area on which the waste from copper processing plants (MOF-1 and MOF-2) is located, and the waste from the smelter (MPZ) and Ammofos Production Association is more than 10 km<sup>2</sup>. The base of the tailings storage ponds (old) of the MOF, slag ponds of MPZ and wastes of the Ammofos Production Association is the II accumulative terrace of the Syrdarya Quaternary Complex. It is represented on top by a thin (0.5-1.5 m) sandy loamy loamy soil and vegetation cover, below gravel and pebble deposits with a thickness of more than 15-20 m and with a depth of groundwater of 8-10 m and more [3, 1991].

The combined tailing pond (new) MOF-1 and MOF-2 are located within the III terrace of the Holodnostepsky erosion-accumulation cycle, represented by a 2 and 3 meter long loam cover, and lower coarse (gravel) deposits.

Hills formed from the waste of the Ammofos Production Association, (Fig. 1) MPZ, (Fig. 2) tailings-storage areas of MOF-1 and MOF-2, with the elevation of the absolute elevations of the territory by 15-35 m. The natural micro-relief disappeared, formed new anthropogenic relief.



Figure 2. MPZ slag storage



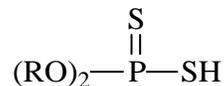
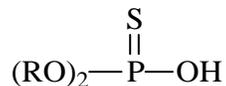
**Figure 3. Wastes of Amofos Production**

The thickness of the soil and plant layer in the territory is 0.2-0.5 m. Due to the action of a combination of soil organisms, chemical and biochemical reactions, plants are able to eat organic substances, the right amount of which in the last century is called the Liebig law of minimum [1, 2001]. Now this regularity is violated by the presence in the soils of increased concentrations of nitrogen, Na,  $\text{NO}_2\text{NO}_3$  and  $\text{SO}_4^{-2}$ ,  $\text{SO}_3^{-3}\text{NH}_4^4$ , HF.

The change in the properties and composition of the soils composing the territory occurs in three directions. This is, firstly, the compaction of rocks under the body of the drives, which leads to a change in physico-mechanical properties, an increase in moisture and a decrease in porosity of the rocks, a change in density, strength parameters. So, the density of sandy loamy soils from the weight of technogenic massifs varies from 1.45 to 2.20 g / cm<sup>3</sup>, porosity from 55% to 40%, the value of the angle of internal friction from 28 ° to 24 °, shear resistance depending on humidity and soil density from 0.062 to 1.175 MPa. In the influence zone of the tailings of MOF-1 and MOF-2, due to the action of the infiltration flow, changes in the physical composition of soils occur, readily soluble compounds (bicarbonates -  $\text{HCO}_3^{-1}$ , Sulfates -  $\text{SO}_4^{-11}$ , Chlorides- $\text{Cl}^{-1}$ ) are washed out, adsorbed on solid particles of the soil a number of chemical compounds: copper, cadmium, bismuth, lead, molybdenum, manganese, zinc, rhenium, arsenic and others [3, 1991; 4, 2004].

There is evidence of intense pollution of the soils of the region around the tail-chronicle to a depth of 10 m with heavy metals and other toxic elements (lead, zinc, arsenic, copper, antimony, tungsten, vanadium, etc.) reaching 50-80 MPC. Soil pollution with copper is accompanied by carbonate pollution [5, 2014].





Reactions of this type can occur in tailings of enrichment plants. The pollution process as a result of the infiltration of the waters of open pits, dumps, slag ponds, sedimentation tanks (tailings) MOF-1 and IMOF-2, as well as the leakage of reagents from the sulfuric acid workshop through rock aeration zones, takes place over 5 decades. So, the filtration zone of the Akhangaran river valley is represented mainly by rocks with high water-filtration properties (10 m / day). The rate of spread of pollution depends on many factors: due to the lack of qualitatively insulated bedding in the base of waste storage; from a sharp rise in groundwater level: from heavy atmospheric precipitation; due to the emergence on the surface of water-bearing rocks of the first aquifer from the surface [5, 2014].

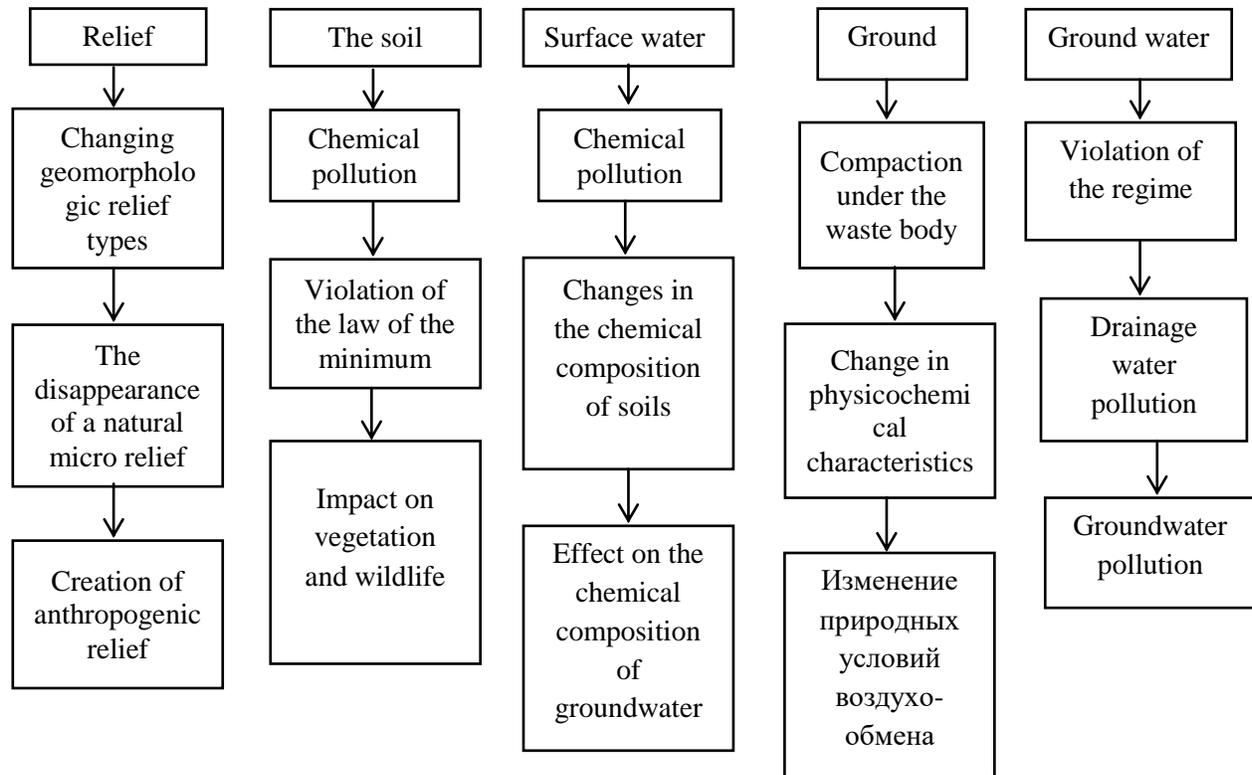
The groundwater of the Quaternary sediments within the area due to the insignificant thickness of loesslike loams is poorly protected from the harmful effects of anthropogenic pressures and the possibility of the rapid penetration of polluting components into the aquifer.

In the Akhangaran Valley, water-bearing rocks come to the surface and do not have a regional aquifill. They are the main source of water supply for large settlements of the Piskent district, located hypsometrically below the Almalyk industrial region. As is known, according to R. Carbenar, the chemical pollution of groundwater at the first stage, which is temporary, then goes into chronic. In chronic pollution, a group of pollutants has an inhibitory effect on the self-cleaning process [7, 1982].

Mechanical pollution of surface water is a random one-time discharge of waste (sludge, slag, etc.) of Ammofos, MOF-1, MOF-2, and MPZ sulfuric acid workshops and other enterprises into canals and canals as a result of pipeline accidents, tailings, which are no exception in this regard.

This information shows the general nature of the pollution. However, this is not enough and it is necessary to determine the necessary indicators, which should be in the whole region and depending on the industry and type of industrial enterprise.

Based on the research results of the Almalyk industrial region and other regions, a scheme of the technogenic impact of industrial enterprises of the Almalyk region on the geo-ecological environment has been compiled (Fig. 1). The main tasks of further research can be considered the study of quantitative factors characterizing the variability of the natural geological environment under the influence of the industry of the region.



**Figure 1. The influence of industry in the Almalyk region on the geo-ecological environment**

Thus, the speedy solution of urgent tasks to minimize the harmful effects of industry on the environment, the processing of existing techno-genic arrays (waste) and the introduction of non-waste production technology will improve the state of geo-environmental conditions and prevent environmental pollution.

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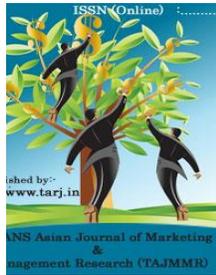
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## EXPLORING THE ASSOCIATION BETWEEN DEMOGRAPHIC AND JOB SATISFACTION OF EMPLOYEES WORKING IN CIVIL AVIATION INDUSTRY

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### ABSTRACT

*Attraction and retention of employees is probably the biggest challenge in Civil Aviation Industry as it involves high level of emotional work. To win against this challenge organisations have been focusing on job satisfaction of employees. It has been found in literature that job satisfaction of employees is significantly related to personal, social, interpersonal and organisational factors. Present paper has been throwing light in same direction and has made an attempt to investigate the presence of any association between job satisfaction and demographic variables. Purpose of this paper is to examine the association between job satisfaction and nine demographic variables such as age, gender, marital status, education, sector, job profile, working hours, experience and gross monthly income. Data have been collected from 300 employees working in civil aviation industry at Amritsar and Delhi on different profiles. Chi-square test has been applied and findings revealed that there is a significant relationship between level of job satisfaction and six demographic variables such as gender, marital status, sector, job profile, working hours and experience of employee.*

**KEYWORDS:** *Job Satisfaction, Age, Gender, Demographic, Civil Aviation.*

## **INTRODUCTION**

It is essential for every organization to assess job satisfaction of employees from time to time, as low satisfaction may result into unfavourable responses amongst the workforce, which puts burden on the wellbeing of employees and make them prone to different psychological and physiological disorders (Evans et al., 2006). Various studies have depicted that job satisfaction experienced by employees affect the quality of service delivered by employees (Fitzgerald et al., 1994). Also, satisfied employees are more productive, innovative and dedicated towards quality. Organisations having low level of satisfaction within employees are having a high turn-over rate (Lim, 2007). It is in economic interest of organisations to promote job satisfaction among employees as satisfied workers are more bound to deliver an increased level of productivity and performance. Satisfaction has been found to be consistently associated with levels of employee performance and wellbeing, while low level of satisfaction leads to reduced performance and low employee wellbeing (Judge et al., 2001; Wright & Cropanzano, 2000; Wright et al., 2007). Also, satisfied workers are found to be more committed towards the organisation (Allen & Meyer, 1990)

### **Job Satisfaction:**

Job satisfaction has been defined as a positive and happy emotional state of person resulting from the pleasure a employee or a worker derives from his or her job (Spector, 1997). Many authors have allied this concept with emotional, affective and cognitive attitudes held by an employee about various components of his/her work (Mercer, 1997; Wright & Cropanzano, 1997; Wong et al., 1998). A positive and favourable attitude towards the job indicates satisfaction, while a negative and unfavourable attitude towards a job indicates job dissatisfaction (Armstrong, 2003). It is important to consider that job satisfaction does not mean that how well the work is performed or how much effort employee has gave to the job (Hayes et al., 2006). It is relate to how much employee like their job. Job satisfaction is a multi-facet construct which include pay, promotion, supervision, benefits, contingent rewards, working conditions, co-workers, nature of work and communication (Spector, 1985). Many researchers have linked it with intrinsic and extrinsic factors. Intrinsic factors determine feelings of the employees on the nature of the job tasks and extrinsic factors of satisfaction determines feelings about the work situation in which those tasks have been performed (Hirschfeld, 2000; Rothmann, 2008). Recognition and appreciation for good work, level of responsibility, promotions and advancements, job enrichment and variety in work, growth, advancement and freedom in work are considered as dimensions under intrinsic satisfaction while, physical work conditions, relationship with immediate boss and colleagues, salary, hours of work and job security are major dimensions under extrinsic job satisfaction (Warr et al., 1979).

### **Demographic characteristics:**

Demographic characteristics have been considered as major factors that direct to job satisfaction or job dissatisfaction among employees (Gosnell, 2000; Crossman & Harris, 2006; Cano & Miller, 1992 Michaclowa, 2002; Sargent & Hannum, 2003). Demographic variables include those aspects of individual that employee already possess before his/her joining of work, like age, gender, marital status and education and include other job related factors such as job profile,

experience on job, level of job, shift work and years of experience. Literature reviewed number of demographic factors from which some of the factors has been taken for the study such as age, gender, marital status, education, sector, job profile, working hours, experience and monthly income.

### **LITERATURE REVIEW**

There are number of demographic characteristics like gender, marital status, age, qualification, annual income and experience which have relationship with job satisfaction (Saiyadain, 1985; Bajpai & Srivastava, 2004). Researchers of job satisfaction have identified 'demographics' as the means, which impacts employee's attitude towards his/her work, salary, supervision, promotion, advancement and work environment. Gender has been considered as an important individual characteristic in research of demographics which impact job satisfaction. Many studies have examined and presented the relationship between gender and job satisfaction (Mottaz, 1986). Some authors have explored that women are more satisfied than men from their job (Ward and Sloane, 1998; Bartol & Wortman, 1975; Clark, 1997; Murray and Atkinson, 1981; Sloane and Williams, 1996). Other researchers have found men to be more satisfied than women (Forgionne & Peeters, 1982; Hulin and Smith, 1964; Weaver, 1974). Similarly, Age of an employee also impacts job satisfaction of employees (Ang et al., 1993; Herbert & Burke, 1997; Oshagbemi, 1997; Rhodes, 1983). Numerous studies suggest that there is positive relationships pertains between age and job satisfaction (Lee & Wilbur, 1985; Weaver, 1978), while many other studies have suggested no relationship between age and overall job satisfaction of employees (Herzberg et al., 1957; Singh & Singh, 1980). Crossman & Harris, (2006) have identified significant differences in job satisfaction for different group of ages. Also, many researchers have explained and proved that overall job satisfaction increases as age of an employee increases (Merter, 2002; Lowther et al., 1985). Education has been considered in number of studies in relation to job satisfaction (Rogers, 1991). The level of education impacts person work related attitudes like motivation, participation, satisfaction as employee expects his responsibilities and authority level will increase as education level increases (Churchill et al., 1979). In one of the study by Bilgic, (1998), it has been identified that employees with high level of education are more worried and concerned for productivity and have few negative feelings for the work. There are studies which have yielded contradictory findings and suggests that there is no association between education and job satisfaction (Lee & Wilbur, 1985; Bedeian et al., 1992; King et al., 1982;). Job tenure has also been considered as important characteristic that is associated with job satisfaction of employees. Job Tenure refers to the length or duration of time an employee has worked in a specific position in an organisation. It has been found that work attitude changes with the tenure (Guimaraes & Igbaria, 1992; Lim & Teo, 1998). If employee has worked for long durations, his efforts and investments are relatively more towards organisation in comparison to those who worked for short tenure (Lim & Teo, 1998). In one more study by Fetsch & Kennington (1997), it has been revealed that there is a relationship between job satisfaction and marital status. They found that divorced and married employees to be more satisfied than those employees who are single, remarried or widowed. In one more study Wickramasinghe & Kumara (2010), have found that marital status have a significant relationship with job satisfaction of employees. In contrast,

Scott et al. (2005) revealed that there is no significant relationship between marital status and job satisfaction.

### **Data Base and Research Methodology**

#### **Sample Design**

Workforce from civil aviation industry has been taken as a sample for present study. Employees at security and safety level, cabin crew and ground duty level have been surveyed with the help of well structured questionnaire. Stratified sampling method at multistage has been used to take samples from International airport of Delhi and Amritsar so that the required representation from all departments can be done adequately. Sample size is of 300 employees working in various departments of airports.

#### **Measures:**

For the purpose of assessing job satisfaction level scale given by Paul Spector with 36 items six point job satisfaction scale has been used wherein 1 indicate “disagree very much” and 6 indicates “agree very much”. However, after considering work situations and environmental settings of civil aviation industry, further modification and alteration has been done in the scale. For bringing these changes accurately a short interviews with the employees has been done during various visits at the airport. Besides job satisfaction scale 9 demographic variables have been added to the questionnaire such as gender, age, marital status, education, sector, job profile, working hours, experience and monthly income. Further, cronbach’s alpha statistics and item-to-total correlation has been applied to alter and refine the scale. Further, no item has been deleted as factor loadings has confirmed the norms and satisfies the internal consistency.

Two categories of employees have been determined on the basis of experiences of employees such as low satisfaction and high satisfaction. The cumulative score of response of each respondent for all the dimensions of job satisfaction has been calculated. The aggregate score is used to estimate the Z scores for which each respondent has the same mean (mean= 0) and standard deviation (S.D. = 1). The positive value indicates that respondent have been highly satisfied as per mentioned norm while a negative value indicates that respondent has not been highly satisfied as it is below the mentioned norm (Verma & Larson, 2002). Accordingly, employees having positive value are classified as employees feeling “high job satisfaction” and those having negative values are classified as employees feeling “low job satisfaction”.

The two independent sample t-tests has been applied on dataset to measure either there is a significant differences appear between the two categories of respondents such as high job satisfaction and low job satisfaction. As per results mentioned in table 1 value is found to be statistically significant at 1 per cent level of significance.

**TABLE 1: RESULTS OF T-TESTS**

Variable category	Total number of respondents (N)	t- value
High job satisfaction	160	21.860*
Low job satisfaction	140	

Source: Primary data

\*significant at 1 per cent level of significance

### **Methodology**

For analysing the dataset chi-square test and one-way ANOVA is used and applied to data to identify the association between the level of job satisfaction of employees and various demographic variables of employees. For analysis the statistical package SPSS version 16.0 has been used. Frequency distribution depicts various characteristics of demographic like the sample which has been taken includes maximum number of females respondents and majority of employees are from private sector airlines. Similarly, majority of workforce works for 8 hours a day.

### **Analysis and Discussion**

#### **Demographic variable and Level of Job satisfaction**

The nine demographic variables such as age, gender, marital status, education, sector, job profile, working hours, experience and gross monthly income have been taken to analyse their relationship with the level of job satisfaction.

The null hypothesis framed for the study is:

*H<sub>0</sub>: There is no significant relationship between the demographic characteristics of employees and their job satisfaction level.*

There is presence of continuous variables in demographic like age, gross monthly salary and work experience of the employees. On these variables two independent sample t- test has been applied to identify the relationship between these variables and job satisfaction as mentioned in Table 2.

**TABLE 2: AGE, WORK EXPERIENCE, GROSS MONTHLY INCOME AND JOB SATISFACTION**

Variable		P value	t test for equality of means	F- value	T- value	df
Age*	Level of job satisfaction	.000		17.656	2.730	298
	High		Equal variances assumed			
	Low		Equal variances not assumed		2.766	296.70

Work experience*	High	.000	Equal variances assumed	34.12	4.856	298
	Low		Equal variances not assumed		4.753	248.10
Gross Monthly income	High	.794	Equal variances assumed	.068	.946	298
	Low		Equal variances not assumed		.942	287.63

Note: 1, source primary data. \*significant at 1 per cent level of significance.

From table 2 it's clear that Age is significantly associated with job satisfaction. From frequency distribution analysis it has been determined that people from age of 18-29 are more satisfied out of their job in comparison to other age groups. Similarly, work experience of employee is also found to be associated with job satisfaction of employees as employees with work experience from 9 to 12 years are found to be more satisfied in comparison to the other groups of experiences. Gross monthly salary is found to be not significantly related with job satisfaction. Although, employees lying in the slab of 41,000-60,000 are found to be more satisfied in comparison to employees lying in other slabs.

Also, the relationship has been identified between job satisfaction level of employees and gender, marital status, Education of employee, sector, department/job profile, and working hours are made and the results are explained in Table 3.

**TABLE 3: GENDER, MARITAL STATUS, EDUCATION OF EMPLOYEE, SECTOR, JOB PROFILE, WORKING HOURS AND JOB SATISFACTION**

Demographic Variables	High job satisfaction N - 160	Low job satisfaction N -140
<b>Gender*</b>		
Male	48	68
Female	112	78
<b>Marital status*</b>		
Single	97	114
Married	63	26
<b>Education of employee</b>		
12 <sup>th</sup> pass	20	24
Graduate	114	103
Post graduate	26	13
<b>Sector*</b>		
Public	84	109
Private	76	31
<b>Department/Job profile**</b>		
Cabin crew	93	103

Ground duty	52	22
Security and safety	15	15
<b>Working hours*</b>		
8 hours	91	101
>8 hours	31	19
<8 hours	38	20

Notes: 1. Source: Primary Source

\* $p < 0.001$

\*\*  $p < 0.005$

Table 3 have presents that gender has statistically significant relationship with job satisfaction level of the employees. And, males are more satisfied in comparison to the females. Likewise, marital status has been found to be related with job satisfaction level. Also, frequency distribution charts gives an idea that unmarried employees experience more job satisfaction than married employees. Similarly, females are more satisfied out of their job than males. Also, sector, job profile and working hours are significantly related to the job satisfaction level. In addition, the results revealed that relatively more number of employees from cabin crew department are satisfied out of their job in comparison to other departments.

The chi square values confirmed the association between gender, marital status, sector, job profile and working hours as results are found to be statistically significant for these variables

There are demographic variables such as education level of employees which are found to have no significant impact on job satisfaction level of employees as it doesn't confirm chi-square values.

The above mentioned results regarding relationship between job satisfaction level and demographic variables of employees has rejected the proposed null hypothesis as job satisfaction of employees has significant relationship with age, experience, Gender, Marital status, sector and department or job profile.

## **CONCLUSION**

The present paper emphasize that demographic factors are important variables which affect the satisfaction level of employees of Civil Aviation Industry. It has been recognized that there is existence of considerable and significant relationship between the job satisfaction and demographic characteristics of employees like age, gender, marital status, education, sector, job profile, working hours, experience and monthly income. Study has also clear that employees working at ground duty, security and safety level are not satisfied of their work which generates an urgency to initiate more profile specific programmes to satisfy employees intrinsically and extrinsically . Also, researchers can further identify the relationship between nine factors of job satisfaction with demographics variables. Further these studies can be explored on employees of other sectors like hospitals, education institutes etc. Besides, job satisfaction other dimensions of employee wellbeing like emotional exhaustion, work engagement can be explored to identify the relationship with demographics.

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## THE CONCEPT OF CREATION THE TOURISM ECONOMIC ZONE "BUKHARA"

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### ABSTRACT

*Zonal policy is the creation of free economic zone (that is FEZ) and the collection of measures such as to learn thoroughly the potential of region, net sphere and separate companies and by giving them more freedom to develop the realization system of this potential which government conducts. As the process of liberalization has been going on in developed countries for at least 2-3 centuries, the zonal policy is not so actual for them. But for countries whose economy is in the transition period, in our view, the policy of liberalization, is very important and an integral part of policy of reforms. In liberalizing the society of Uzbekistan, as being the main part of the liberalization policy, zonal policy plays most important role. The article deals with one of the forms of free economic zones - tourist economic zones. The main objective of these areas: the provision of services of recreational tourism and nature, as well as the effective use of the region's potential for enhancing foreign economic relations. The creation of such tourist areas in Uzbekistan gives great advantages require for the development of economy as tourism is and for the planet, and for the country promising fastest growing sectors of the economy.*

**KEYWORDS:** *Free Economic Zone, Tourism Zone, The Zonal Politics, And Tourism Potential.*

### 1. INTRODUCTION

According to Shavkat Mirziyoyev, President of the Republic of Uzbekistan, tourism is has become as one of strategic sector of the economy. Tourism and travel industry is to become a powerful tool for diversification, transformation and sustainable development of the economy, which should become the driving force of this sector in the complex development of

all regions and interconnected networks, accordingly. Moreover, Uzbekistan believes this sector as one of the target sector and this is included as a main task of the state policy in the field of tourism.

Uzbekistan as a major touristic destination in the region plays special role in socio-economic life of destinations. On this way, country has created special program to the modernization of the tourism industry, the development and improvement of the regulatory and legal framework for sustainable development of the sector.

Excessive number of touristic resources, rich historical heroes, untapped traditions of nation, hospitable people of the region and reliable touristic atmosphere illustrate Uzbekistan as a wonderful touristic destination. Moreover, Uzbekistan has more than four thousand monuments of ancient architecture and art, belonging to different epochs. From the listed ones, 140 of them are included in the list of quarantine sites taken under the protection of UNESCO.

In addition, location and being in the corridor of Great Silk Road belt with great cities such as Samarkand, Bukhara and Khiva that are listed as heritage world touristic sites by UNWTO, being as a major religious tourist destination for Muslim world, promising prosperity future may easily make deployment on tourism as whole. These show that Uzbekistan has all the conditions for turning tourism into one of the important branches of the social and economic complex.

However, share of travel and tourism services on GDP could be improved noticeably. Hence, state program for accelerated development in 2017-2021 years of tourism, which is of great importance for the growth of the country's economy has been implementing in all areas of tourist suppliers. Proceeding from this, action plans of government on the different number of new ideas are put forward concerning the development of tourism sphere.

Creation of free touristic zones in different regions easily create new job places, improve the welfare of the population, increase foreign exchange and tax revenues, push services, make modifications on service infrastructure. Creation of free tourist zones in the regions with high tourism potential of the Republic of Uzbekistan is characterized by inadequate development of tourism infrastructure, inadequate logistical support of a number of tourist and recreational facilities, inadequate quality of road transport infrastructure, leisure facilities, imperfection of investment mechanisms for innovation and promising projects, low quality of service in industrial enterprises, insufficient qualified personnel in the field as well as the lack of mechanisms for efficient promotion of national tourist goods in the world market. Finding solutions to this problem through the effective use of planning tools enabling them to fully cover existing potentials of the regions using strategic marketing tools determines the relevance of the research topic.

## **2. THE IMPORTANCE OF CREATING FREE TOURISTIC ZONES IN UZBEKISTAN**

Uzbekistan should work out upon its own zonal policy and have a concrete programme to found and set the FEZ, and this program must be directed to use successfully taking into consideration the geographic and economic position of Uzbekistan as it is situated in the crossed area of the

three giants - China, India and Europe as they are economically developed countries in the universe.

For entering the zonal policy the real life the country must fulfill the following measures, firstly:

- 1) The government decree on regional policy.
- 2) The foundation of committee which governs regional policy, the creation of regional management, and to determine their rights and duties, and the field of competence.
- 3) To establish and admit the regional law on regional system of management, the system of imposing regional tax, regional passport, the system of visa, regional money and the system of currency, regional labor, social and other relations which control them.
- 4) To work out on a FEZ program over the country and confirm it by the government. We think that we should begin with the creation.

Firstly, in the program should be determined clearly, the possibility of the foundation FEZ types (nowadays more than 40 types such as the free customs areas for Uzbekistan, free trade regions, free industrial - trade zones, techno - parks, and business incubators).

Secondly, taxes, economical, administrative and foreign trade privileges which are given to FEZ must be explained clearly.

Thirdly, the creation of FEZ management and requirements to its every part should be defined. There must be method or style which determines the usefulness of FEZ activity. It gives the possibility to evaluate the employees who are engaged in FEZ by the main numbers.

Foreign businessmen usually come to the region, when the necessary infrastructure is ready. The expenses of infrastructure are considered as the main part of the expenses for creating and making activity of FEZ. That's why 80 percent of investment which is given to FEZ coincides to the inland resources. In Russia and some other countries they had a wish to cover the main part of the initial expenses at the expense of foreign resources. The foreign businessmen did not understand and confirm it.

In issue of the system of regional management, there are a lot of successful and unsuccessful experiences in creating FEZ the experts of UNO came to some conclusions. One of them - it is necessary to determine the role and the place of central and local government in planning, creating, programming regions and in their activity.

Initiative can be both in the hands of local government and central government bodies. Foreign experience shows that is not so important. In some countries central government organs (The Ministry of Industry, The Ministry of Finance, Plan Union, Special Administration and others) control the administration. Because they have a great experience in realizing important project, and they are competent in foreign economic relations. And besides it (China, USA, Poland, Malaysia) FEZ are absolutely under authority of local government and are winning good advances. Special administrative structures for management of FEZ are created by local government organs in many countries. In others commercial enterprises are involved in management. But their activity is center the control of local government. In a number of countries the responsibility of management is imposed to customs, tax and other organs. The

management of FEZ in area level creates rivalry among regions. And this will have a good influence on the activity of regions. China is experienced country in zonal management. If FEZ are organized not in totalitarian way, but in independent ways, it will give better results. That's why area administration of country must take into consideration this fact. Otherwise, this institution can't be the same in regions, net and branches. That's why, regional governments, ministries, enterprises and their structures can't be the similar. So, they shouldn't work according to any optimal ratio created by higher organs. And only market relations can show this optimal ratio. The enterprise ministry or convention which chooses such kind of optimal ratio, form, structure rightly can work successfully and can win rivalry struggle. FEZ must have a special administration structure as relatively autonomous regional holding. It must provide the whole complex economical functions of the area enterprises and the interrelation between the central government and regional organize a small committee in the cabinet of ministers in order to carry out an area policy. This committee must consist of the following sectors.

1. The sector of macro environment and investment environment development for FEZ;
2. The sector of creating microenvironment for FEZ;
3. The sector of learning and distributing the experience of FEZ;
4. The sector of management of FEZ;
5. The sector of financial control of FEZ;

FEZ must be arranged in macro-level. The committee must have independence and deal with the problems of central government organizations and FEZ administrations.

It is necessary that this organ must not carry out its function with administrative measures. The legal base of controlling regions by the government must be the law about FEZ. The functions of the committee are the following:

- To learn foreign experience in creating FEZ and to study whether it is suitable to the condition in Uzbekistan.
- To work out the conception of creating FEZ, in Uzbekistan.
- To investigate the comfort of FEZ in modern business and small innovation business and to explain its seriousness.
- To develop the formation of convenient investment atmosphere in the country.
- To prepare specialists for FEZ, besides to involve the experienced foreign experts, and to work intensively in regions.
- To determine the factors which hinder the FEZ in society and economy, it would better - work constantly on making suggestions according to the reforming of government and private factors which hinder to the activity of FEZ.

It would be better to form a special administrative branch in provinces for realization of area policy in the regions. The main principal is to serve as a convenient tool in solving organizational problems quickly and cheaply for investors. FEZ must have a strategy and tactics

all over the country for realization of the program of FEZ development of the central government, for creating guarantee mechanism to foreign investors, for forming the systems of finance - credit, customs currency of FEZ. In area policy not only the central governments benefits but also the local government must be taken into consideration. Otherwise, there will be a great hinder to the creation of FEZ. Generally speaking creation of FEZ, is not against the benefits of local government, on the contrary FEZ - are very admiring for local government, as it will open great opportunities.

Firstly it is possible to examine the model of solving economic problems in the country and in the regions. The region can serve as a centre of examining new forms learning, and distributing of foreign experience, and keeping the household. It is easier to solve the negative consequences of using market mechanisms in the region itself, because its limited with a small area.

Secondly, it gives a chance increase foreign investment into the economy of the country and the region.

Thirdly - it creates the opportunity to take new techniques, advanced technology and know - how's, and they give a chance to economy of Uzbekistan to solve all the technological problems during a short period of time.

Fourthly, areas give a chance to organize a new kind of producing industry, to : the potential of export, to increase the quantity of ready products, and the income of currency.

Fifthly, the relation of export and import in the regions will develop more quickly than on average indicators of republics;

And this gives the opportunity to involve the economy of country actively in modern international relations and joining the international labor divisions.

Sixthly, it gives a chance for creating technological centers for scientific inventions and bringing news quickly in the sphere of regions. Besides, it quickens the stream of the population and production factors, and international low norms, business habits, behavior and techniques standards will adopt sooner.

The experience of Ireland is very helpful for the most sector of the area management "Shannon" relying on the management of FEZ. Steven Dreivar considers the controlling the region like the development of half autonomous and formation the agency of marketing as the universal measures. The potential investors can not have enough information about FEZ without this agency. Besides it, if investor (foreign or native) is interested in any FEZ, mainly the privilege which gives the area and the following convenient, useful, possible information about the conditions must be taken.

- About the sufficiency of the experienced experts in the region;
- About what kind of real estate should be bought or can be taken by leasing;
- the condition of the railway, main auto lines, airports and the transport services, the level of their quality, is supplying with energy surely, and how the level of development of telecommunication lines.

- What kind of services for supporting activity in regions (juridical, counting - house, bank, advertisement) can be shown.
- is the area safely for living of foreign workers and their families.
- What are the laws and rules to protect the environment?
- How and from whom is possible to get the essential license and other documents;
- Do they require any agreement for controlling the activity (with the local government, the tax officer, the landowner).
- What is the importance of local law and the level of its working and others.
- Relying on the world experience, we can say this, the administrative organs of FEZ should have the following rights to control the economy of region on these matters.
- Formation the antimonopolistic system for controlling the producing and selling goods in the region.
- For controlling the communal, everyday, social, transport services and defining the price for paid services like education and public health.
- Giving license, patent for building (reconstructing) offices;
- To close enterprises for producing prohibited products and without permission, and which don't follow the determined laws)
- Forming the policy of regional economy.
- It would be better at the as following, the administrative functions between the country and in the administrative territory of FEZ.

The country appoints the general principles and the conceptions of the region (the law of organizing and liquidation, imposing tax, the order of currency and intercreative account the boards of custom offices). It creates the economical mechanism for solving all the negative results which may happen, to work out on mechanism differentiated tax, customs, credit, the policy of currency, and the influence to the attraction of foreign investors.

- The administration of the region will take the responsibility of commercial risk and economical relations determine the aim of creating this or that companies, to solve the very delicate sides of socio -- economical development of the area.

- Administrating and controlling the FEZ activity, are fulfilled by a special government organ. This organ can be the ministry of industry and trade (South Korea) or the special administration committee of FEZ (like China's Guan dun province). As above mentioned in Uzbekistan it would be better to organize a special area organ. It must be as a form of the committee which will be rightly under the subordination of the president.

The Administrative organs of FEZ must look for the measures in order not to be under pressure of neither the local nor the central organs. On the contrary these organs can use the freedom which domains FEZ for their benefits. And this can start a conflict on the one hand between the

administration of FEZ and local government, on the other hand between administration of FEZ and central government. For this:

- The principal of FEZ should be given the great privileges;
- To look for the measures in order not to put the administration of FEZ under the subordination to the interval parts of the hierarchy of state apparatus.
- The committee which can protect the advantage of FEZ in the country, must be the central organ with the great rights.

Nowadays, in condition of Uzbekistan it would better to appoint the principal of FEZ by the president.

For creating FEZ - we should use the model version, that is before we must organize small points and create the very simple forms of FEZ in these points; like customs area, business incubators and trade regions. After gaining the experience and the continuing the life cycle of FEZ then they must be developed and improved. At the next steps, there should be taken much attention to the technological investigation and developing the services of regions (there must take into consideration mainly - the developing the most important tourist regions).

In our opinion, regional policy of Uzbekistan must be administrated as following in order to satisfy the requirements:

- It must provide the whole economy of the country, with the economical stability, mainly the investors who work in FEZ and are interested in markets.
- To create the investment environment in order to attract the more investors in the whole area of the country and mainly in FEZ areas, and improve its attractiveness.
- The create the conduction which provides the sides who work in FEZ with a harmony of the advantages and improve them.
- To help provide the foreign investment to FEZ.
- To create the conduction in order to provide the active participation of native businessmen to FEZ and improve them.

Mainly the local government and local businessmen must be interested in talking benefits in a creation of FEZ.

Because, they have a great influence for formation of the convenient investment atmosphere.

From the optimal setting point of view of FEZ, we can divide the area of Uzbekistan into 5 regions conditionally:

1. Northern (the provinces of Tashkent and Syrdarya)
2. Western (the provinces of Andijan, Namangan and Ferghana)
3. Central (the province of Samarkand, Djizak and Navoi)
4. Eastern (the province of Khorezm and Karakalpak Republic)

### 5. Southern (the province of Bukhara, Khashkdariya and Surxandariya)

For Uzbekistan most perspective – the southern region, and tendency of Uzbekistan must be routed for creation the liberate economical zone in southern region of republic.

There are more than 7000 miscellaneous free economic zones, which are specialized in different areas and sectors of the economy. Zones, specialized in tourism industry are more than 300. Tourist areas are usually located in the regions with historical and cultural value, recreational and natural potential is sufficient for the whole development of tourism. The main objective of these areas: provision of recreational touristic services, as well as the effective use of the region's potential for enhancing foreign economic relations. One of the specific features of tourism free economic zones is creation of favorable conditions for foreign investors, a simplified visa regime for foreigners, beneficial loans, privileges on taxes and other preferences [5.]. Effective application of available resources as far as possible, exploit, maintain, augment natural and other resources in a high profitable level, encourage foreign currency earnings, comprehensively develop region and facilitate the creation of new job opportunities in terms of socio-economy are should be the target point in the process of creation tourism free economic zones.

Formation of such tourist areas in Uzbekistan gives great advantages for the progress of economy, as tourism is considered fast growing sphere of economy not only in Uzbekistan, but also globally. Moreover, according to experts, development of special zones within the country is the best way to stimulate exports, attract foreign investment, technology and experience for the prospect of tourism.

Creation of tourism free economic zones requires the solution of a number of financial and credit, scientific and technical, as well as social problems.

According to the experience of some countries, if the process of creation tourism free economic zones is not considered as a single concept, then overall efficiency of the work will be relatively low, and even may lead to unexpected, negative consequences. Rather than modernising economy and turning into the mean of mobilizing foreign investments, privileges of the region can become mean of subsidizing some groups of people, or it may contribute to leakage local capital abroad.

In developing long-term program of formation tourism free economic zones, initially it is essential to study the basic directions, problems, prospects of international tourism development. Furthermore, it is necessary to study foreign experience to create tourism free economic zones, also it is inexpedient to rely only on it. It is important to explore and intend local interests, needs of local residents and government, as well as local conditions. Otherwise, it is impossible to achieve good results.

### 3. FREE Touristic ZONE PROJECT Of BUKHARA

With the creation of free economic zones for tourism and you can use the territorial approach and the organizational and economic approach. It all depends on the conditions and the purposes of establishing such zones. The main purpose of such tourist areas in cities located in the "Great Shelkovo way" such as Bukhara, Khiva, Samarkand - to attract foreign and local investment in tourism development, and thus to transform tourism a major, priority directions of Uzbekistan's

economy, conservation and enhancement of the material wealth and cultural heritage of this region, as well as help in the integration of the national tourism in the world tourism [1, 2]. There are dozens of cities with sufficient capacity for tourism development in Uzbekistan, however great potential in this direction is detected only in four cities, namely, Bukhara, Samarkand, Khiva and Tashkent. According to foreign countries' experience Tashkent as the capital of Uzbekistan is not suitable for the formation of free economic zones, due to political and other reasons. While others are suitable for the creation tourism free zones, yet preferably to start placing in one of them, having accumulated some experience, then gained experience is circulated to other cities. Launching such investable socio-economical project without any experience considered not only inexpedient, but also riskily. Among these three cities we see Bukhara as the most suitable one.

Reasons of expediency of creation tourism free economic zones in Bukhara are the followings:

-Samarkand, Karshi, Khiva, Urgench and many other cities of Uzbekistan have changed their location owing to some historical reasons. Only Bukhara was re-built in the same place after lot of turmoils and destructions. Therefore, the city has many historical and architectural sites giving information about many periods of our history.

- If Bukhara is compared with other Central Asian cities, then it was capital (Buharhudats, Samanids, Shaybanids etc.), as well as cultural center of the region longer than others. Each dynasty, each empire has left specific cultural, material and spiritual values noticeable for tourists.

- Ark fortress served the rulers of Bukhara over 14 centuries, as there are few analogues in the world. Although basic part of the fortress was destroyed in 1920 by the order of Soviet leader M. Frunze, which could and should be restored. Restoration can turn it into one of the world centers of tourism, similarly to the Moscow Kremlin.

- In many cities historical and architectural monuments preserved in some places and seen patterns of modern urban landscape, in the central part of Bukhara preserved architectural masterpieces compile integral unified ensemble. If you find yourself in the center of the city, you feel as in the middle ages. Epithets like - "Bukhara - city museum under the open sky" or "Bukhara - the pearl of the East" really depicts the city of a peculiar value. This stimulates tourist flow who want to plunge into the middle ages. The city spreads spirit of different epoch and civilizations, confirming uniqueness of the city. In the houses of the old part of the city seems that life goes as previously - people are trading in the old stalls, artisan and craft shops operate on the basis of old equipment and technology, mosques are full of pilgrims - all which are the most important than the old, beautiful, silent monuments of history. Since many tourists are interested in these aspects of our live - how our ancestors lived, how was their lifestyle, national cuisine, national games, festivals, folk art and crafts. Many tourists around the world, want not only simply to explore ancient monuments, they want to find themselves in those days. Bukhara has the ability to pay such high values.

- Bukhara was the city of trade, crafts, cultural and scientific center of the whole Central Asia throughout centuries. It was cultural, religious and educational center of the whole Turan in the early middle ages. Caravans from the countries of different locations came here not only for the

purpose of commerce, but also brought ambassadors, pilgrims and travelers. All of these prove great touristic potential of Bukhara [3.550-552.].

Accordingly, Bukhara is a city that has a great potential to create tourism free economic zone, so it is advisable to establish such a zone in the city. As a result of the creation of tourist area in Bukhara, Uzbekistan's economy becomes a powerful with the following qualities:

- ❖ It may become a testing laboratory of checking the reliability of the new economic solutions, new economic structural formations;
- ❖ Mean of overcoming ineffective bureaucracy;
- ❖ May be a weapon of knowledge accumulation;
- ❖ It may be a weapon for concentration of technological, financial, managerial, organizational resources and ensuring the effective implementation of some of their functions;
- ❖ It may be the way of industrial development and reconstruction, modernization of the region and the country;
- ❖ It may be a powerful weapon that accelerates economic growth of the region.

By the formation of tourist area in Bukhara, within a short time city will turn into one of the world centers of tourism, like Spanish Cordova and Seville, Florence of Italy. For the implementation of the project we have all basis and opportunities. In touristic developed countries regional tourism product is more attractive than a single one, even from several tourism products. Therefore it is necessary to work on improving the attractiveness of the whole destination. In our example, it is necessary to work on the creation of entirely harmonious regional touristic product of Bukhara. On its turn it actualizes the foundation of tourism free economic zone in the region.

Main **objectives** of organization of tourism free economic zone "Bukhara" (hereinafter - TFEZ) are given below:

- A) Expansion of economic freedom for the fast movement of the republic towards to market economy;
- B) Attract national and foreign investment to the region for transforming the city into one of the world centers of tourism, and tourism industry into prosperous sphere of Uzbekistan's economy;
- C) Mitigate one of the most acute and painful problems of the Republic of Uzbekistan - to reduce the number of unemployed and create new job opportunities;
- D) Raise the level of living standards;
- E) Preserve and enhance historic-cultural heritage of the nation of Central Asia.

It is necessary to solve following problems to achieve these goals:

- Develop the regulatory framework, particularly, law on the free economic zones in order to properly and effectively manage TFEZ "Bukhara" (adopted law in 1996 does not meet modern requirements);

- Define a clear competence of the TFEZ "Bukhara" administration, and determine their relationship with local and central authorities;
- Important to define the organizational - administrative structures, principles of organization TFEZ "Bukhara";
- Necessary to determine special characteristics of relations between subjects and objects of the zone;
- Constantly work and research on the identification of barriers to the movement of foreign and local investment flow, and work out measures to overcome or liquidate them;
- Define and develop solving or liquidating factors that hinder unobstructed activity of TFEZ "Bukhara"'s subjects;
- Work out unified development program of TFEZ "Bukhara", as well as implementation mechanisms;
- Create a single computerized booking system of TFEZ "Bukhara", as well as found an organization which comprises all local tour operators and travel agents into a single system;
- Organize special TV channel on tourism, and to make sure that they are seen, at least by the people of Uzbekistan;
- Important to have deserving image of TFEZ "Bukhara", and constantly work on improving it (advertising, "public relations" etc.);
- Coordination of all activities for training and retraining staff of tourism for the region;
- Conduct anti-monopoly activity, support those who lead honest competition;
- Continuing work on deepening and expanding activities of TFEZ "Bukhara" [4.110-111.].

#### 4. CONCLUSIONS

In Bukhara region consistent measures are being taken to develop the tourism sector, which has a broad potential to address in the near future such critical socio-economic tasks as creating new jobs, ensuring economic diversification and accelerated development of regions, influx of foreign exchange earnings, increasing incomes and quality of life of the population countries. Despite having huge tourist potential and natural resources of the region, these indicators are considered unsatisfactory, as there is a shortage of accommodation facilities, sanatoriums and recreation areas, underdeveloped tourist infrastructure, low quality and limited number of services rendered to tourists.

An analysis of the current state of the tourism industry in the Uzbekistan shows that in order to better meet the needs of tourists in affordable and quality rest, it is necessary to take further effective measures for the development of tourism. In this regard, in order to develop and improve the use of the tourist potential of the tourism destinations, improve the conditions for recreation and tourism, need to create free tourist zones, which provide for the implementation of modern investment projects in resorts and recreational places.

Consequence of these features make better conditions on the development of transport and communal infrastructure, the formation of new tourist routes, as well as improving the quality of tourist services.

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# TRANS Asian Journal of Marketing Management Research (TAJMMR)

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## FORMATION OF STUDENTS 'SPIRITUAL EDUCATION THROUGH CREATIVE CIRCLES IN SECONDARY SCHOOLS

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### ABSTRACT

*The article highlights the importance of strengthening the aesthetic education of children through creative circles organized in schools, fostering their strong spiritual outlook. It is also necessary to acquaint them with the best examples of world and national culture, to develop all-round creative skills.*

**KEYWORDS:** *Applied Decorative Arts, National Handicrafts, Creative Circles, Education.*

*The emergence of handicrafts in the conscious life of mankind is the most important historical step towards civilization ...*

*Sh.M. Mirziyoev*

### INTRODUCTION

Today, we live in a very intense and complex time that is rapidly changing, radically different from the times that humanity has ever experienced. Statesmen and politicians, philosophers and sociologists, commentators and journalists describe this period differently and call it by different names. Some call it the "age of high technology," others the "age of thinking," and still others the "age of information." Of course, in all these ideas there is a certain truth, a certain logic. Because it is natural that each of them reflects some sign of today's multifaceted and colorful life. But in

the minds of many, this period is perceived as an “period of globalization”.Such a process of globalization demonstrates its positive and negative aspects in all socio-economic and political spheres.The current external spiritual threats, the development of information technology, the growing capabilities of mobile phones, along with the creation of favorable conditions for children to learn, lead to an increase in harmful habits.They are looking for a solution to every problem on the internet and are exposed to various alien ideas.This remains one of the major challenges in raising children today as spiritually mature individuals.Therefore, strengthening the spiritual and moral content of education, the organization of education of young people in the spirit of patriotism on the basis of devotion to the ideas of independence, respect for national values, humanity and high spiritual ideas [1]is one of the main goals of state policy.In the context of a society in which new information and communication technologies are evolving, innovative technologies have undoubtedly entered the system of continuing education with its advantages and undeniable shortcomings, which requires adaptation to these disciplines [3, 388].In the age of these technologies, it seems to many, the professional appeal of the arts and crafts seems to have faded.In recent years, some parents have become more likely to want their children to be prosecutors, bankers, traders, or singers in order to work in a career other than vocational training.Here, the focus on the pedagogical profession, applied arts and crafts, is significantly diminished.Of course, acknowledging the dignity of the above professions, we would like to emphasize that in this world there are many very necessary and beautiful professions that develop human spirituality, his moral upbringing.We believe that the more people choose their activities based on their interests and abilities, the more they will contribute to the economic and social development of our country.Over the past three years, the country has become more interested in the interests of ordinary people, their dignity, including the development of folk arts, which symbolize our ancient and rich history, national identity, unique values and traditions, comprehensive support for artisans.Systematic work is being carried out in this direction to expand international cooperation and, on this basis, to demonstrate to the world the huge potential and opportunities of Uzbekistan in this area, the development of applied arts education.

### **THE MAIN FINDINGS AND RESULTS**

In fact, even with the development of modern computer technology, national traditions and handicrafts, which are part of the historical values, have not lost their place in the daily life of our people, but are gaining ground.

This is evidenced by the fact that every year in our country are held more than a hundred festivals and fairs, trade exhibitions and other events in this direction.

It should be noted that such noble deeds aimed at preserving and developing the world's folk arts and crafts, which are an integral part of it, are important in transmitting this priceless wealth to future generations, uniting our efforts and opportunities in this direction.

Taking into account all these factors, it is no exaggeration to say that the development of folk arts in our country, the preservation of the continuity of our national values, their widespread promotion has become commonplace.We can proudly acknowledge that in our country, the role

and importance of educating the younger generation in the spirit of love and devotion to the Motherland has been consistently increased.

The first International Crafts Festival under the auspices of UNESCO was held in Kokand on September 10-15, 2019, and the World Crafts Organization gave the city the status of "World Craftsmen's City", which is a high international recognition of Uzbek folk arts.

The festival was organized to continue the national handicraft traditions of Uzbekistan, to provide full support to artisans, to promote the rich cultural heritage of the world community, and thus to bring together different national cultures and values in the world.

Our President Sh. Mirziyoyev and our government to strengthen the international prestige of the national handicrafts and folk arts, the widespread promotion of the brand "Kokand - the city of world crafts" and increase the tourism potential of our country; the preservation and development of the world's folk arts, the safe transmission of this priceless wealth to future generations, and the unification of efforts and opportunities in this direction; wide opportunities are being created for the upbringing of young people as well-rounded people, for their thorough acquisition of theoretical and practical aspects of folk art, along with modern knowledge;

Great attention is also paid to conducting in-depth cultural and historical research in the field of handicrafts, expanding scientific and practical cooperation and disseminating the results of ongoing research.

Instructions were given on the organization of exhibitions and competitions in the field of applied arts in order to educate talented craftsmen and talented youth.

It is known that folk decorative arts, which are an integral part of universal culture, have a special place in the life of every nation in the world, in the development of its way of life and values.

Improving the creative and aesthetic education of the younger generation is one of the main tasks for teachers of fine arts working in the education system.

The modern pedagogue should aim at strengthening the aesthetic education of adolescents and young people, the development of their creative abilities, artistic taste in order to form in them a comprehensively stable spiritual immunity. It is necessary to acquaint them in detail with the best achievements of world and national culture, works of art, to skillfully and resolutely promote the applied art of a truly national people.

Participating in various applied arts and crafts classes has always been one of the hobbies for many students, who learn to create beauty with their own hands in the process of creative activity here.

Applied decorative arts also play an important role in the spiritual development, artistic and aesthetic education of schoolchildren. These activities respond to children's spiritual needs and interests, satisfy their interest in mastering artistic creativity, and contribute to their harmonious development. In these classes he draws, makes, carves patterns. He rejoices and marvels, and feels a sense of pride in his work, knowing that he can create what previously seemed a miracle

to the reader. They become participants in an exciting creative process of creating useful and beautiful products in every way.

The decorative applied arts of the peoples of the world are diverse and have their own very rich traditions. This is also reflected in our national applied arts and folk crafts. The task of teachers is to attract students to this field, to actively involve them in this fine art to ensure the perpetuation of our national traditions and rich values.

We see that children engaged in this field have achieved peculiarly attractive results in their work, but they still have very little knowledge of the secrets of creating such perfect works of fine art. The first acquaintance of children with applied decorative arts will take place in school fine arts classes, where children will gain knowledge about national applied arts and folk crafts, as well as wonderful masterpieces of art of many peoples of the world. However, students will learn about different types of applied decorative arts, ways of artistic processing of certain materials, more in extracurricular creative circles, studios and art schools.

Classes in applied arts can be organized in almost any secondary school in the training workshops in the classroom of fine arts and drawing without additional material costs (simple types). [4]

Success in applied decorative arts and national crafts depends on:

1. Working conditions 2. Duration of training. 3. Strict discipline.

In conducting the training, the teacher-circle leader should use the principles of demonstration, convenience, structure, which are necessary to achieve high skills. To do this, it is advisable for the teacher to make greater use of the conditions in the educational institution and their capabilities [5, 13].

Indeed, children can achieve amazing results by practicing the art of applied decoration. This is evidenced by the examples of children's creativity in school, district, city, regional, national and international exhibitions and creative competitions. These works attract with their beauty, harmony of colors, attractiveness, which evokes in each spectator a unique pleasant feeling.

This testifies to the high interest of children in practicing applied arts in circles based on the development of national applied decorative arts and folk handicraft traditions.

We all know that folk decorative art is, first of all, the art of creating a unique pattern of creation, which is inextricably linked with nature, enjoying and inspiring nature.

It should be noted that artisans of the past did not go to distant places in search of raw materials for centuries, but processed the materials at hand. As people create using the natural raw materials of the environment, they create works of applied decorative art that are the product of their artistic culture. About this A.B. Saltykov wrote, "Whoever has a tree in his hand is in wood, whoever has wool is easy to find in wool, whoever has the opportunity to work with clay is in the mud, and so on" [6, 51]. Based on this principle of material handling, the activity should focus on the nearby raw material resources and should also be a major focus for the arts that engage children in clubs.

Imagine for yourself that to create unique and beautiful things from ordinary black soil, a piece of iron or a piece of wood, to give them a "soulful language", a craftsman needs not only hard work, but also the warmth of the heart. Delicate taste and skill, patience, and most importantly, unconditional love and devotion to their profession, selflessness are needed.[2]

## CONCLUSION

We need to instill in our youth such qualities of delicate taste, skill and devotion. It is advisable to do this through creative circles organized taking into account the conditions in each region. In particular, there are many opportunities to organize such targeted classes in rural schools where materials for art processing are close. This includes straw, clay, bark, seeds, wood, and other ready-made raw materials for application classes. In the village it is easier to find clay for pottery, reeds for any weaving, corn leaves for application, and other materials. It is only necessary to look at it from the artist's point of view, because the ancient local artisans used mainly local materials at their disposal to create unique works.

It is easier to choose used or ready-made materials in cities, now we can buy different materials needed for decoration in stores specializing in different types of trade (bijouterie). Through a rich creative imagination, the child is able to replace the clay with polymer and cold porcelain (cold porcelain) or ordinary dough, twigs for knitting with thin newspaper wrappers. Any discarded plastic containers, their lids, old fabrics, pieces of fabric that are unsuitable for sewing, computer disks that have become unusable, and so on.

From any natural materials that people have discarded as unusable, beautiful rugs can be used properly and effectively to make eye-catching souvenirs. In the hands of a skilled creator, all the things that are not necessary for others mentioned above become a special form, and we can use them for different purposes.

A person who engages in art will change for the better. When practiced in the arts, it changes twice as much, that is, the child is nurtured in the qualities of patience, composure, kindness and perseverance. Exhibitions and competitions organized with their creative work develop students' ability to correctly perceive successes and failures and draw the right conclusions [11, 116]. It is noted that in all countries of the world, the art of decorative arts has a positive impact on the education of schoolchildren. In the arts and crafts centers, delinquency by adults is rare, as children from an early age are eager to create something interesting in the process of practical work.

It has been proven in practice that the upbringing of such creative circles has a positive effect on the upbringing of difficult children as well. Teachers, club leaders, and parents should pay more attention to this and try to take their children to clubs, studios, and applied arts classes.

Advances in applied decorative arts boost children's self-confidence. He resolutely overcomes his own shy barriers to a new type of activity.

They cultivate the skills of preparation for a creative approach to any type of work, lead to active creative activity, [12, 65] engaging in applied decorative art is so appealing that children lose the urge to spend their free time altogether. At this point, the words of the great thinker Bahauddin

Naqshband, "The profession is such a horse, that the person who rides it will surely find respect and reach the place of happiness," come to mind.

Creative classes not only shape children's aesthetic taste, but also acquaint them with the works of applied decorative arts and national folk crafts, provide them with the necessary creative knowledge, develop artistic labor skills, and at the same time provide them with mental and practical training[13]. Only a person with a high aesthetic sense, a developed inner worldview will be able to actively change the world around him.

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## THE IMPORTANCE OF THE ASSESSMENT OF MANAGEMENT COMPETENCIES OF EXECUTIVES

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### ABSTRACT

*This article provides a scientific analysis of the competencies of the individual, the process of its formation and development, the composition of management competencies of executives and methods of its evaluation. The scientific and theoretical significance of the assessment of the competencies of management staff is revealed.*

**KEYWORDS:** *Competence, Management, Manager, Evaluation, Efficiency, Manager Competence, Quality.*

### INTRODUCTION

Labor activity in any field requires specialized knowledge and skills. Areas of activity that cannot be done without special training and require skills expanding. In this regard, the issue of a person's readiness and inclination to a certain type of work in a particular field is one of the most pressing issues of scientific research.

## LITERATURE REVIEW

Before analyzing the literature, it is expedient to scientifically interpret the terms “competence” and “competent” in expressing the structure of a professional person. The main difference between these two concepts is that if competence is a quality or attribute of a person, then competency is a practical manifestation of that quality or attribute. If we refer to the existing definitions, we can see the picture below.

Competence is the interdependence of personal characteristics, knowledge, skills, abilities, methods of activity that reflect the requirements of professional activity[1].

Competence is the possession of a circle of issues in which a person has knowledge, experience, which allows to judge something, determining the capabilities, abilities, and skills of a person in a certain field of activity. The concept of “competent” is used to assess the level of a person’s qualifications in certain issues, problems, but not in professional activities in general[2].

Competence is the desire and ability of an individual to realize his potential in order to work effectively in the professional and social spheres, in which a person feels the high social significance of the result of activity as a personal responsibility and cares about improving the result [3]. If we compare these two definitions, we can see the following relationship between them. First of all, competencies are formed on the basis of professional requirements, and then a person is able to apply these competencies in practice, competence.

Richard Boyatsis, one of the founders of the concept of authority, defines competence as a key trait that allows an individual to perform his or her duties at a high level [4].

In all competency studies, it is recognized that professional competence is naturally a complex structural structure and includes specific features of professional activity. In addition, the interrelation of competencies with the standards of professional criteria adopted in the organization is considered as the object of analysis of compatibility with the life of the organization. Therefore, when we talk about this or that authority, we mean the cultural and organizational activities of the enterprise [5].

According to T.Yu. Bazarov, when we talk about the competence and competent of the employee, it means the ability to perform a particular job at the required level (for example, negotiations or analysis of financial results). Competence is a set of personal qualities, abilities, skills, and motivational traits that can successfully accomplish the tasks set by a particular person or company. Based on this definition, the authority of employees is interpreted as a means of exercising organizational powers [6].

To date, a number of types of competencies have been differentiated as a result of the acceleration of research on the competency approach. Below we focus on these types of competencies and their application to management practice. In particular, according to B.I. Bepalov, general and special competencies differ according to their most general characteristics. General competence refers to the criteria adopted as a single standard for all employees within the organization. Specific competencies are defined in standards of criteria that are expected for a particular competency, a particular type of activity, or that category of employees. When referring to the management activities of the manager, his position in the staff of the organization

and a high level of knowledge of the work of each department and specialist under his authority is his general competence, while the manager's responsibility in matters of management - special competencies. It can be seen that the competencies of these two groups, both of which have separate developments, are the main condition that characterizes the professionalism of the leader, their compatibility and the balance between them [7].

In order to carry out management activities, general managers need to have specialized knowledge and apply it in daily activities. The requirements for the professional competence of a modern leader can be divided into two groups. The first includes the knowledge and skills to conduct professional work in management. These include: speed and decision-making based on uncertain situations; be aware of all issues related to the development of the industry in which the enterprise operates: research, technology, competitive situation, the dynamics of demand for products; ability to manage resources, plan and forecast the activities of the enterprise, to improve management efficiency; modern information technology, communication and communication skills.

The second group of requirements is related to the ability of senior managers to work with people and self-manage. A leader must have the quality of earning the trust and respect of others. This can be achieved through the following personal qualities: high sense of responsibility and commitment to their work; honesty in relationships and trust in partners; to be able to express and persuade their opinions clearly; to treat everyone with respect, regardless of their position in the organization; to be able to quickly regain their physical and mental strength, to criticize their activities [8].

The higher the personal efficiency, the more a person expects results from their activities. According to A. Bandura's concept of personal effectiveness, depending on how a person evaluates his effectiveness, his activities can be carried out in a wide or narrow range, with different efforts to overcome obstacles, solve professional problems with perseverance and perseverance. People who realize their personal effectiveness spend more energy on solving complex tasks than people who do not believe in themselves [9].

## RESULTS AND DISCUSSIONS

In modern conditions, managerial activity requires the manager to have the following competencies:

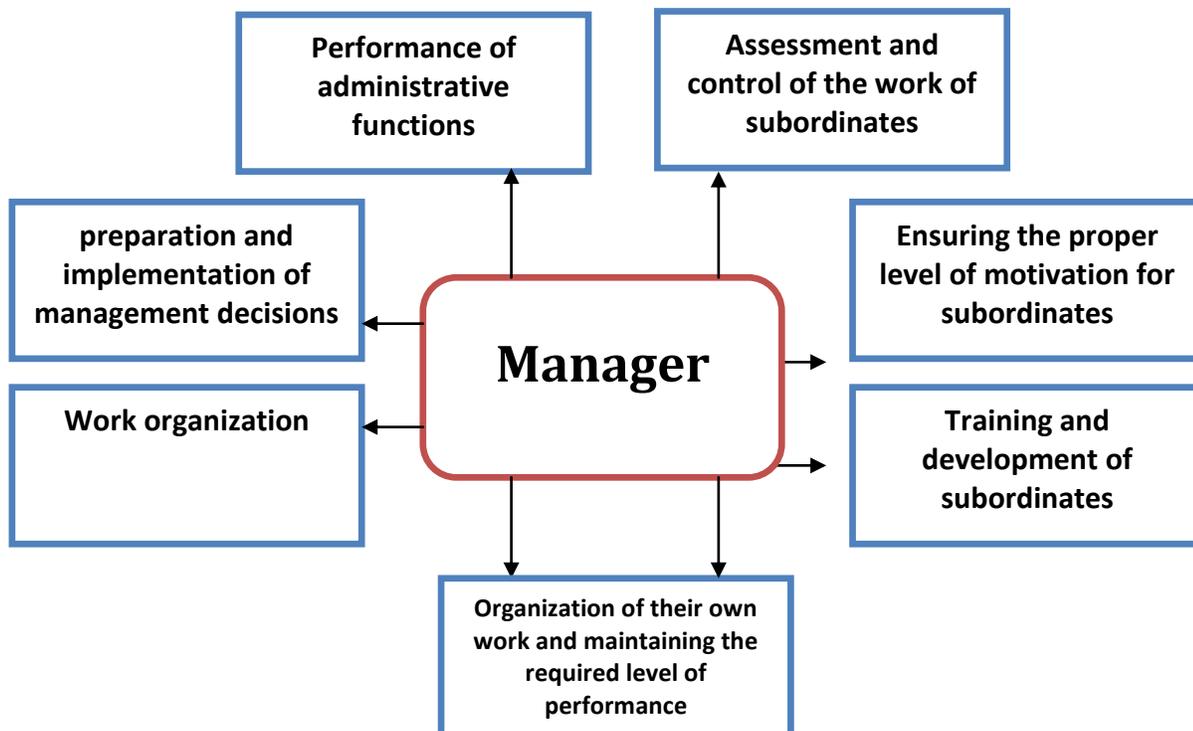
1. The ability to control yourself;
2. The ability to be a leader, take the necessary risks;
3. Permanent personal growth;
4. Effective problem solving;
5. Inventiveness and ability to innovate;
6. High ability to influence others;
7. The use of modern management approaches;
8. The ability to lead;

9. The ability to train, develop and motivate subordinates;

10. The ability to form and develop effective working groups.

If the leader wants to be successful, then he must have managerial competencies that would help him in the field of management. In figure 1, you can consider all areas of competence of the leader.

Gradually developing and expanding capitalization in domestic enterprises, it becomes clear that the main link in the enterprise is the manager. None other than the manager makes a large number of decisions every day, and is also responsible for the well-executed work of structural units [10].



**Figure 1. The areas of competence of the leader**

The features of this structure should be taken into account when working on the creation of competencies that ensure effective operation at the enterprise and organizational level. It should be noted that today almost every field and profession has its own powers. For example, in Russian savings banks, the following powers were used in the assessment of department heads:

- Management of customers' orientation System
- Leadership responsibilities;
- Systematic thinking;
- Businessman ability;
- Communication leadership;
- Team management;
- Performance management [11].

Employee evaluation is also reflected in the financial results of management, which ensures that the lives of enterprises operate in a certain system. In 2000, Jacques Nasser, CEO of "Ford Motors" in Detroit (USA), certified 18,000 employees at the company's plants around the world. According to the results of the certification, each employee was given the appropriate category: "A" (high), "V" (medium) or "C" (low). Category "A" included 10% of employees, 80% received category "B" and the remaining 10% received category "C". In 2002, another attestation was conducted and this time the evaluation conditions were somewhat relaxed. As a result, 5% of employees fell into category "C", 85% fell into category "B" and 10% in category "A". The results of the assessment were used as follows: Employees in the "C" category will not receive a monthly increase and will not receive bonuses. In addition, an employee who falls into the "C" category for two years in a row may not be promoted or may be fired. Such comprehensive assessment measures by Jacques Nasser are interpreted as a reform in the management of Ford Motors and are highlighted as an event to restructure the entire corporate culture. The main purpose of the event was to create a team of young employees who will quickly respond to modern market demands and promote new technologies, breaking the traditions formed over decades in the company [12].

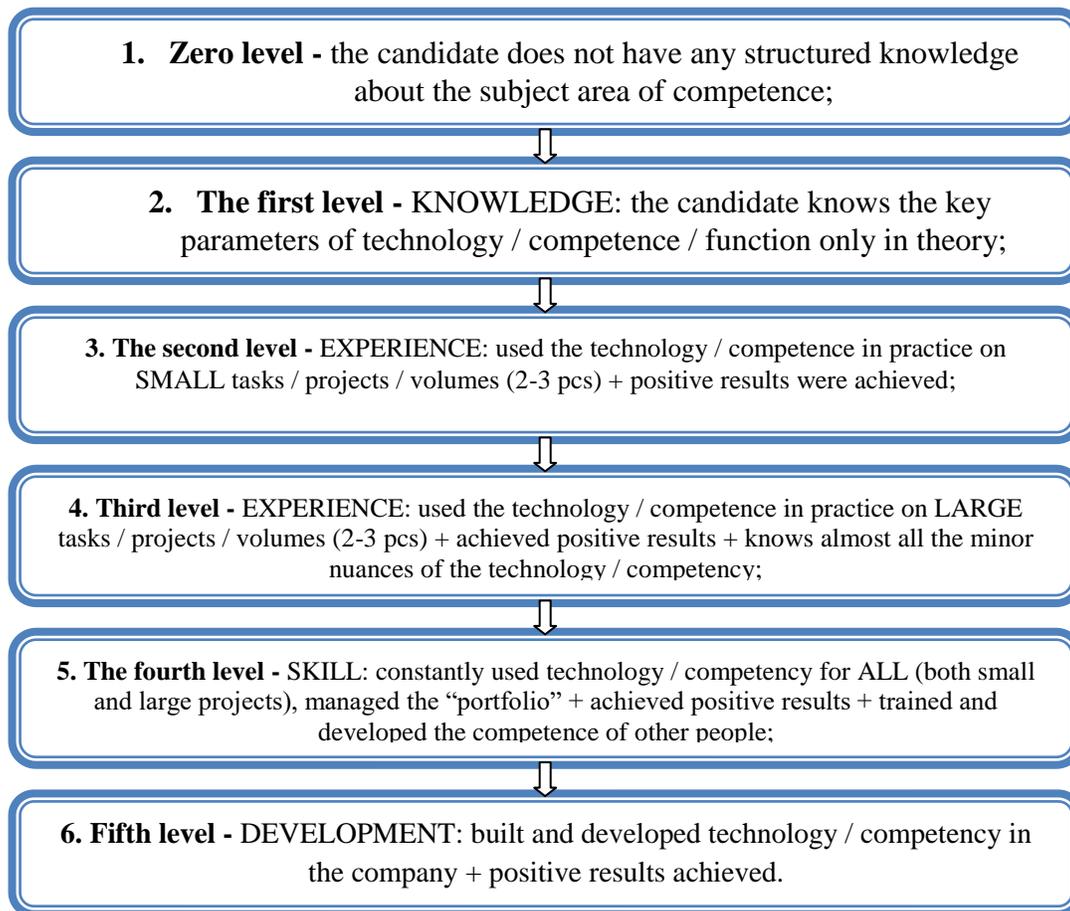
There are always two main situations to consider when evaluating leaders. The first case stems from the purpose of direct evaluation and is more focused on getting information on the suitability of a candidate for a new position. The second case is aimed at creating an effective managerial model, which in part stems from the desire of the management of each enterprise. As enterprise-wide assessment of managers becomes a constant tradition, such a desire becomes more pronounced and takes the form of a perceived normative form. Sometimes organizations use the services of specialized researchers to create such a normative model. The experience of creating professionograms can be an example of this.

A key feature in creating a normative model of an effective leader is that there is almost always a search for legitimate differences between distinguishing an effective leader from an ineffective one. In such approaches, the question of where to look for differences between the two categories of leaders is different, and the focus is on the following aspects: personality ability, character traits, leadership style, motivational characteristics, experience in management. As noted above, there are three main approaches to which aspect to focus on: functional, personal, and situational. Based on this methodological position, an effective leadership model is created [13].

At the organizational level, the technology of assessing the professional skills of employees has its own order and has the following stages:

- ❖ the first stage - identification and registration of the order, selection of executors;
- ❖ preparatory stage - development of criteria and standards of competence;
- ❖ research phase - assessment of existing competencies, implementation of basic practical work on the project;
- ❖ the final step is to prepare a report on the results of the assessment of professional competencies and submit it to management [14].

A description of the levels reflecting the degree of ownership of the managerial competency by the applicant will be identical for all competencies:



**2-Figure. Typical Levels of Management Competencies[15].**

Levels can be used not only for evaluation when hiring, but also for building grades for existing employees. Depending on the position, the requirements for the level of competencies change: the higher the position, the stricter the requirements.

The peculiarity of professional competence assessment technology is that based on the results of such assessment, the organization's specialists realize their professional skills. As a result, the formation of an active attitude towards the professional model and the implementation of clear planning measures for professional and personal perfection are expected. During the assessment process, the specialist can decide on the level of development of their skills and abilities and the opportunity to develop them, and project their professional future.

Speaking about the methods of evaluation of civil service management, it is planned to perform the following stages, consisting of 5 main sets of measures and the tasks arising from them:

1. Development of a set of competencies specific to the heads of different categories of civil servants, the procedure for their evaluation and the development of measures for the reserve of candidates.
2. Evaluate and select candidates for the reserve.
3. Monitoring the training of reserve candidates.
4. Evaluate the candidate before appointment.
5. Expert discussion of results and preparation of reports [16].

One of the main indicators of the effectiveness of diagnostic methods is the validity coefficient, which is determined on the basis of the correlation between any criteria between the diagnostic assessment and professional achievement. The higher the validity of the method, the more clearly the effectiveness of the leader's activity is expressed. In Table 1- below, the validity of the leader identity study methods is given in the form of percentage stands.

Personnel Assessment Centers, Assessment Center.	70 - 80 %
Expert evaluation.	70 %
Occupational tests.	60%
General ability tests.	50 - 60 %
Biographical tests.	40%
Personality tests.	40%
Interview	30 %
Recommendations	20%

**Table 1. Effectiveness of personality study methods [17].**

In the process of evaluating managers, the objectivity of evaluation becomes the most important principle, and in fulfilling such a requirement, it is necessary to rely on three main tasks.

1. Define the criteria for assessing the professional and personal qualities of the leader and on this basis to create generalized factors, ie competencies.
2. The use of methods that represent quantitative indicators of the competencies to be studied.
3. Selection of the most optimal evaluation process [18].

The following is some important information about the evaluation measures used in the practice of a number of large companies. These data, on the one hand, testify to the diversity of staff evaluations, and on the other hand, prove once again that these measures have an impact on staff professional development.

S.Laykov, Personnel Manager of BAT Russia, distinguishes the following aspects in personnel assessment: The first direction - Performance Appraisal and Career Enhancement - is designed to assess managers. The second direction - Success Through Effective Performance - is used to evaluate employees of the marketing and sales department and employees of the administrative department (not managers). The third direction - Performance Appraisal System - focuses on the assessment of personnel engaged in production, and also applies to drivers, kitchen workers, etc. [19].

Clive Fletcher argues that staff evaluation should serve staff development by enhancing his or her competence. Therefore, certification is primarily a tool for staff development.

The main objectives of personnel certification are:

1. Information (providing the necessary information to the staff of the company).
2. Create a backup for promotion.
3. Identify those who need vocational training (development of vocational training programs, staff training and retraining).
4. Administrative (basis for personnel decisions: promotion, demotion, replacement, dismissal).
5. Improving communication (mutual understanding, interaction and joint activities, the relationship between manager and employee).
6. Incentives for labor [20].

## CONCLUSION

In a competency-based assessment process, the manager was assessed at the maximum level required to manage that area. For example, Boris Rezapov, manager of Smith Kline Beecham Consumer Healthcare, an expert in evaluation based on this method, describes the process of conducting such an evaluation method as follows: For example, let one of the indicators of such management be "labor efficiency". This indicator includes the following competencies: planning, decision making, quality orientation, motivation for success, communication and knowledge of business and organization. For each of the powers listed above, the leader receives a score from 0 to 4. It is not possible to get a score of 0 because such a leader is considered absolutely unworthy of his position. 1 rating is satisfactory, but not enough for the job. Assessment 2 is called the initial level of competency development and is minimal for labor. A grade of 3 is a strong level of competency development, a grade of 4 is a level of leadership, and such a leader is a leading employee of his company. "[21]. Working with competencies allows one to move away from subjective assessments defined as "good" and "bad" and provides a basis for relying on clear criteria of work.

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## EMPLOYEES' PSYCHOLOGICAL CONTRACT BREACH AND KNOWLEDGE SHARING BEHAVIOUR: ROLE OF TRUST IN ORGANIZATION

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### ABSTRACT

*This study was carried out to measure the association of employees' perceived psychological contract breach, trust in an organization, and knowledge sharing behavior. Especially, aims of the study were to measure the (a) impact of psychological contract breach on knowledge sharing behavior, (b) effect of psychological contract breach of trust in an organization, (c) impact of trust in an organization on knowledge sharing behavior, and (d) mediating role of trust in organization in the relationship of psychological contract breach to knowledge sharing behavior. Respondents were taken from the employees working in finance companies in Kathmandu valley. Altogether, 462 respondents' perceptual cross-sectional responses were collected. Positivist research philosophy and deducting reasoning approach was adopted to infer the conclusion. The hierarchical regression model was adopted to measure the direct and indirect effect of the independent variable on the dependent variable. Regression analysis revealed that number of findings. Firstly, there was a negative impact of psychological contract breach on knowledge sharing behavior and organization trust. Secondly, trust in an organization negatively impacted on knowledge sharing behavior. Lastly, psychological contract breach*

*affected knowledge sharing behavior directly and indirectly via trust in an organization. Moreover, direct effect size, indirect effect size (via trust in an organization) and total effect size of psychological contract breach on knowledge sharing behavior were calculated. Numbers of implications as well as directions for further study are suggested.*

**KEYWORDS:** *Psychological contract breach, trust in organization, knowledge sharing behavior, mediating effect size.*

## INTRODUCTION

Knowledge sharing is becoming profoundly crucial to corporate success in the knowledge-based economy (Quigley et al., 2007) to gain a competitive edge (Felin & Hesterly, 2007). Since employee information exchange directly affects both public and private sector organizations' success (Silvi & Cuganesan, 2006). But it is challenging in organizations because of its challenging nature of transfer, and knowledge sharing is voluntary behavior (Quigley et al., 2007). Organizations cannot compel to share knowledge forcefully. Even within the organization, 31 percent of knowledge transfer attempts failed (Szulanski, 2000) and were terminated. Only if workers can share their expertise with peers will organizations leverage knowledge capital more efficiently. And where an organization encourages the transition of performance-enhancing information, it can fail for various factors, including the nature of the interaction between the donor and receiver groups and the characteristics of the knowledge being transmitted (Szulanski, 2000). Hence, understanding the factors affecting employees' ability to share information is crucial to promoting knowledge sharing among stakeholders.

The psychological contract was described by Rousseau (1995) as employees' expectations about mutual responsibilities between the employee and the organization. Employees suffer psychological contract violation as companies refuse to meet their commitments, i.e., cognitions that the organization has failed to deliver its obligations toward the employee (Morrison & Robinson, 1997). Social exchange theories (Blau, 1964) explain that there are many things that are exchanged between employees and employers. Many things are not well written what employee expect from organization and what organization expect from the employees during the working life. But such unwritten expectations of both parties play a vital role in the quality of relationships and mutual benefit for the between parties. Hence, the fulfillment of a psychological contract is crucial for employees' and organizations' success.

Mutual trust between organizations and employees is necessary and valuable in several organizational practices, including collaboration, leadership, target management, performance evaluation, labor relations growth, and negotiation (Mayer et al., 1995). If employees trust the organization for their career growth and job security, they might do better for organization and vice versa. Therefore, employees' psychological contract breach, trust in the organization, and knowledge sharing behaviors are vital for the employers' and employees' mutual benefit. However, no study was carried out to measure the interrelationships between employees' psychological contract breach, employees' trust in an organization, and employees' knowledge sharing behavior to the best of the review.

This study was carried out as a response to the circumstance mentioned above regarding interrelationship between and among employees' knowledge sharing behavior, trust in an organization, and psychological contract breach. Significantly, this study aims to measure (a) impact of psychological contract breach on knowledge sharing behavior, (b) effect of psychological contract breach of trust in an organization, (c) influence of trust in an organization on knowledge sharing behavior, and (d) mediating role of trust in organization in the relationship of psychological contract breach to knowledge sharing behavior. These measures were done in the Nepalese finance companies where knowledge sharing behavior, psychological contract breach, and trust in organization are common issues due to the companies' volatile nature and status in Nepal's banking and financial institutions.

## **Review of Literature and Hypothesis**

### **Psychological Contract Breach**

The psychological contract is an unwritten arrangement between managers and workers that spells out their desires (Argyris, 1960). Similarly, Schein (1965) and Rousseau (1995) see the psychological contract as a collection of assumptions regarding the mutual responsibilities that two participants in an exchanging arrangement would satisfy. Such convictions are founded on commitments made, either explicitly or implicitly, connected with a trade relationship between a person and the hiring company and its agents. As a result, there is an unwritten understanding between the work holder and the company (Rousseau, 2004). When an employer fails to perform one or more of the psychological contract's obligations, a psychological contract violation arises (Morrison & Robinson, 1997).

### **Trust in Organization**

Mayer et al. (1995) described confidence as "the willingness to be vulnerable to the acts of another party in the hope that the other would conduct a specific act essential to the thruster, regardless of one's capacity to track or influence the other." The importance of confidence in a company has recently gotten a lot of support from management scholars and practitioners (Hosmer, 1995). Researchers tend to conclude that confidence is necessary and valuable in several organizational practices, including collaboration, leadership, target management, performance evaluation, labor relations growth, and negotiation (Mayer et al., 1995). However, there is increasing concern regarding corporate mistrust and the breach or misuse of confidence (Robinson & Bennett, 1995). Share your confidence and expertise trust is one of the antecedents to knowledge sharing, but it is also a component of other factors that influence knowledge sharing (McNeish & Mann, 2010).

### **Knowledge Sharing**

In organizations, information transfer is the mechanism by which the experiences inform one unit (e.g., a person, a company, a department, or a division) of another. Individuals filter knowledge such as concepts, facts, experience, and decisions critical to the individual, team, and organizational success (Wang & Noe, 2010). Knowledge transfer is especially essential for companies who want to take advantage of differences in labor costs, skills, and connections to foreign markets as they become more global. The receiver unit gains knowledge from the

organization's other units' experiences. As a result, companies may benefit not just explicitly from their background but also indirectly from others (Argote&Epple, 1990). Individuals who may not appreciate that such methods function can be unwilling to adequately express their information to others (Szulanski, 1996). While knowledge transfer from one unit to another will result in significant performance improvements, effective knowledge transfer can be challenging to accomplish (Argote, 2012).

#### Psychological Contract Breach and Its Impact on Trust in Organization and Knowledge Sharing

Employees can code negatively if they do not earn anything in exchange for their services to the company. As a result, contract violation as a disparity in exchanges would impair employee contributions, according to social exchange theory (Blau,1964). Because of occupational success standards, subsequent reduced job performance (or in-role behaviors) can be punished by the company or the boss (Turnley et al., 2003). Consequently, workers are more inclined to limit their discretionary acts, such as constructive activities. It also dismisses reports that contract violations are directly related to employees' emotional experiences, suggesting that further effort is needed (Montes & Zweig, 2009). Employees can feel furious, disappointed, unhappy, or deceived due to contract violations (Conway & Briner, 2005). Employees are continually engaging in constructive modes of action, such as modifying suboptimal processes, speaking up with plans for change, or exchanging knowledge with their colleagues, in addition to conducting their day-to-day duties (Parker et al., 2010), everything vital to the efficiency of the workplace (Thomas et al., 2010). Affective reactions are triggered by contract breaches, which result in reduced effort and behavioral involvement (Blau, 1964), mutual responsibilities occur for the employee and the company.

According to previous studies on psychological contracts, contract violation has a major effect on beliefs and habits (Zhao et al., 2007). Zhao and colleagues (2007) used affective events theory to understand these relationships in their latest meta-analysis. As a result, negative job experiences cause negative emotional responses, including rage or annoyance (Morrison & Robinson, 1997). Employees' impressions of the work are colored by these "feelings of violation" (Morrison & Robinson, 1997), which affect their degree of commitment. According to Suazo (2009), contract violations decreased workers' initiative actions, such as contributing proposals, offering positive recommendations, and proposing innovative strategies, rather than reducing their commitment. According to affective events theory, employees will respond with emotions such as rage and resentment if they believe their employer has not reciprocated their efforts. They will also restore the social trade equilibrium by will their donations (Bal et al., 2008). Based on these theoretical claims and observational data, it may be inferred that workers' experiences of psychological contract violations are a detrimental feature of the company, culminating in diminished employee confidence and inability to share information. Hence this study postulates the following hypothesizes:

*Hypothesis 1:* Psychological contract breach cause to decrease employees' knowledge sharing behavior.

*Hypothesis 2:* Psychological contract breach cause to decrease employees' trust in an organization.

### **Trust in Organization and Knowledge Sharing Behaviour**

Trust plays several roles in knowledge sharing, both as an antecedent and its result (McNeish& Mann, 2010). Consequently, confidence is considered one of the most potent predictors of information sharing (Davenport & Prusak, 1998). It works to reinforce the bond within the sense of a relationship, and the relationship, in exchange, offers further grounds to trust. According to Baugh et al. (2001), unregulated knowledge exposure could give one's spouse further negotiating power throughout the partnership or even help build a potential rival. Via relationships and tradition, trust can affect information sharing both explicitly and indirectly. Trust was empirically evaluated as an antecedent to Nelson and Coopride's (1996) information sharing, who identified a causal relationship. They said that confidence affects community success by influencing mutual information. According to certain studies, people are more likely to share valuable information when they have faith (Zand, 1972). It seems as if they are more willing to listen to and absorb other's knowledge (Mayer et al., 1995). Aligning with the aforementioned arguments and empirical evidence, this study proposed the following hypothesis:

Hypothesis 3: Trust in an organization positively impacts knowledge sharing behavior

### **Trust in Organization as Mediator in the Relationship between Psychological Contract Breach and Knowledge Sharing**

The previous section argued with empirical evidence that employees' psychological contract breach would reduce an organization's trust. Moreover, this study also argued that employees' trust in an organization contributes to increasing their knowledge-sharing behaviors. If these two arguments are valid, it can be possible that, as explained by the social exchange theory of Balu (1964) that due to not fulfillment of employees' unwritten expectation from an organization, employees decrease their trust with the organization. Then employees' decreased trust with the organization causes again to decrease their knowledge sharing behavior as explained in social exchange theory (Balu, 1964). Hence, this study proposes the following hypothesis:

Hypothesis 4: Trust in an organization mediates the relationship of psychological contract breach to knowledge sharing behavior. It means psychological contract breach affects knowledge sharing behavior via trust in an organization.

## **Methods**

### **Measurement Instruments**

All the items measured in this study were measured in five point Likert-type scales. Five point scale was strongly disagree (1) to strongly agree (5). All the measured were borrowed from the previous work, and all were reliable and valid instruments in their context. *Knowledge sharing* was measured with a four-item scale from Faraj and Sproull (2000). A sample item was "I share my special knowledge and expertise with my colleagues." *Trust in an organization* was measured by five items Likert scale of Tan and Lim (2009). A sample item was "I would be comfortable allowing the organization to make decisions that directly impact me, even in my absence." Likewise, *psychological contract breach* was measured using the five items scale developed by Robinson and Morrison (2000). A sample item was "I feel that my employer had not come through in fulfilling the promises made to me when I was hired". Their immediate supervisor

measured knowledge-sharing behavior. But psychological contract breach and trust in the organization were self-rated by employees themselves.

### Goodness of Fit-Index

To ensure the goodness of fit-index, a measurement model was calculated employing Confirmatory Factor Analysis (CFA) in AMOS version 23. First of all, all each constructs' items were loaded in the concerned constructs. Out of 14 measuring items, a single item of the construct trust in an organization, and another a single items of the construct knowledge sharing behaviour were removed from the measurement model as they were mainly co-varied (Awang,

**TABLE 1**  
**INDICATORS OF THE MEASUREMENT MODEL**

Measure	Estimate	The threshold for Excellent Model	Interpretation
CMIN	124.23	NA	NA
DF	51	NA	NA
CMIN/DF	2.44	Between 1 and 3	Excellent
CFI	.98	>.95	Excellent
SRMR	.05	<.08	Excellent
RMSEA	.06	<.06	Excellent
PClose	.21	>.05	Excellent

2015) in their respective latent construct. After the modification indices, one pair of error terms within the respective latent construct showed the covariance error term more than .30 (Awang, 2015) and were correlated to set as a free parameter estimate. Finally, a good model fit index was achieved (CMIN/DF = 2.44, CFI = .98, SRMR = .05, RMSEA = .06, and PCLOSE = .21) as shown in Table 1.

### Reliability and Validity of the Instruments

Composite reliability is adopted in SEM analysis as its value is usually higher than Cronbach Alpha, in which the difference is insignificant (Peterson & Kim, 2013). Moreover, Hair et al. (2010) have stated the composite reliability should be  $\geq .70$  to ensure the reliability of the measure. As depicted in Table 2, in this study, for each latent construct, both Cronbach Alpha and Composite Reliability were higher than .70. Therefore, the used instruments are free from the problems of reliability.

Convergent validity is achieved when all the items in a measurement model are statistically significant (Awang, 2015) and Average Variance Extraction (AVE) for every latent construct is greater than .50 (Awang, 2015; Hair et al., 2010). As depicted in Table 2, in this study, AVE for

each construct was more than .50, and all the retained items in the measurement model were statistically significant. Therefore convergent validity was ensured.

**TABLE 2**  
**RELIABILITY AND VALIDITY INDICATORS**

Variables	CR	AVE	MSV	MaxR(H)
Psychological contract breach	.93	.77	.64	.93
Trust in organization	.95	.83	.64	.95
Knowledge Sharing	.93	.77	.19	.95

Gaskin and Lim (2016) state that discriminant validity of the measures is ensured when correlation between predictor variables are less than .85 (Awang, 2015), or Maximum Shared Variance (MSV) is less than AVE (Hair et al., 2010), or the square root of AVE are higher than inter-construct correlation of the corresponding factor. As depicted in Table 2, in this study, MSV was less than AVE in every case. The correlation between every latent construct was less than .85 (i.e., the correlation between psychological contract breach and trust in organization = -.79, the correlation between psychological contract breach and knowledge sharing behavior = -.43, and between trust in organization and knowledge sharing behavior = .44). Likewise, every AVE's square root was higher than their corresponding inter-construct correlation. Hence, data were free from the problem from discriminant validity.

### Respondents and Administration of Questionnaire

Employees working in Nepalese Finance Companies (Class 'C' finance company as per the Nepal Rastra Bank's ranking) were taken as the study sample. Firstly, as per the convenience of the researcher, 20 finance companies working in the Kathmandu valley were selected. Then, within the selected finance companies, 500 questionnaires were distributed to survey the employees' opinions.

Two sets of questionnaire were prepared (i.e., Set-1 and Set-2). Set-1 was prepared to measure the employees' knowledge-sharing behavior by their supervisor. In Set-1, supervisors were asked to write the subordinate's name and evaluate their knowledge-sharing behavior based on the given statements—the Set-1 questionnaire comprised the four supervisor rating items beside the name of the subordinates. Set-2 was prepared to measure the employees' perceived psychological contract breach and trust in the organization by concerned employees themselves. The set-2 questionnaire comprised the ten self-rating items.

A referent person from the concerned company was requested to facilitate questionnaire distribution and return back in each finance company. One week time was provided to the respondents so that they can use their weekend time for questionnaire fill up. Altogether 600 sets of questionnaires were distributed as per the researcher's convenience and assigned reference person. Out of the distributed 600 questionnaires, 491 (82%) paired questionnaires were returned in the given period. However, 462 (77%) of the questionnaire were acceptable for further analysis.

## Data Analysis

After ensuring reliability, validity, and goodness-of-fit index, data were imputed (Gaskin, 2012) i.e., converted latent variables to the observed variable. Data were imputed to follow Baron and Kenny's (1986) approach to measure the mediating role of trust in organizations in the relationship between psychological contract breaches and knowledge sharing behavior. After imputing data, the ordinary least square assumptions were tested and found satisfied. Hierarchical Regression Model was adopted to measure Barron and Kenny's (1986) approach. Moreover, F- test has been computed to measure the significance of the particular model. A t-test has been computed to measure the significance of a single variable's association. A change in R<sup>2</sup> has been calculated to measure the model's significance. Likewise, the Sobel test and MedGraph were used to measure the significance of the indirect effect of psychological contract breach on knowledge sharing behaviour via trust in the organization.

## RESULTS

As depicted in Model 2, in Table 3, the employees' psychological contract breach coefficient to predict their knowledge sharing behavior was negative and statistically significant ( $B = -.39$ ,  $p < .01$ ,  $\Delta R^2 = .20$ ). Hence, hypothesis 1 was supported by explaining the 20% variation in the knowledge-sharing behavior due to the predictor variable psychological contract breach. Likewise, as depicted in Model 1, in Table 3, the employees' psychological contract breach's coefficient to predict an organization's trust was negative and statistically significant ( $B = -.86$ ,  $p < .01$ ,  $\Delta R^2 = .70$ ). Therefore, hypothesis 2 was supported, explaining the 70% variation in trust in an organization due to the predictor variable psychological contract breach. Similarly, as shown in Model 3, in Table 3, the coefficient of employees' trust in the organization to predict their knowledge sharing behavior was positive and statistically significant ( $B = .38$ ,  $p < .01$ ,  $\Delta R^2 = .21$ ). Hence, hypothesis 3 is supported, contributing 21% variation in the knowledge sharing behavior due to trust in an organization.

**TABLE 3**  
**REGRESSION ANALYSIS**

Independent variables for different models	Dependent variable			
	Trust in organization Model1	Knowledge sharing		
		Model 2	Model 3	Model 4
Psychological contract breach	-.86**			
Psychological contract breach		-.39**		
Trust in organization			.38**	
Trust in organization				.22**
Psychological contract breach				-.20**
Change in R square	.70**	.20**	.21**	.22**

\*\* indicates the level of significance at .01.

Baron and Kenny's (1986) three criteria need to be satisfied to determine the mediator relationship were adopted. Table 3, model 1, depicts the 1<sup>st</sup> criterion that the psychological contract breach (independent variable) must be associated with the trust in the organization (mediating variable) that was met ( $B = -.86, p < .001$ ). The 2<sup>nd</sup> criterion, psychological contract breach (independent variable), must be associated with the knowledge sharing behavior (dependent variables) before the trust in the organization (mediator) is entered in the model. These relationships were measured in Mode 2, in Table 3 and satisfied ( $B = -.39, p < .001$ ).

The 3<sup>rd</sup> criterion, after the trust in organization (mediator), is entered in the regression model; the relationship between the psychological contract breach (independent variable) and knowledge sharing behavior (dependent variables) should either disappear (i.e., complete mediation) or significantly diminish (i.e., partial mediation). The 3<sup>rd</sup> criterion was measured in Model 4, in Table 3. The coefficient of psychological contract breach on knowledge sharing behavior has diminished from  $-.39$  ( $\beta = -.39$ , coefficient of psychological contract breach before entering trust in organization in the model) to  $-.20$  ( $\beta = -.20$ , coefficient of psychological contract breach after entering the trust in organization in the model). Then, the next step was to test whether these diminished coefficients psychological contract breach was statistically significant or not. For this purpose, the Sobel test (Preacher & Leonardelli, 2001) has been applied. Sobel test revealed that diminished psychological contract breach's coefficients, after entering trust in organization, to predict knowledge sharing behaviour ( $z = 3.48, p < .001$ ) was statistically significant. Hence, the 3<sup>rd</sup> criterion was met. Therefore, hypothesis 4 was accepted, satisfying all Baron and Kenny's criteria (1986).

**TABLE 4**  
**DIRECT AND INDIRECT EFFECT SIZE (COEFFICIENTS) OF THE**  
**PSYCHOLOGICAL CONTRACT BREACH ON KNOWLEDGE SHARING**  
**BEHAVIOR**

Effects Size	Dependent variable
	Knowledge sharing behaviour
1) Total effect of psychological contract breach on knowledge sharing behavior	-.44
2) Direct effect of psychological contract breach on knowledge sharing behavior	-.22
3) Indirect effect of psychological contract breach on knowledge sharing behavior via trust in an organization	-.22
4) Indirect to total ratio	.50

After insuring mediating effect, it was necessary to know the size of the effect of the psychological contract breach on knowledge sharing behavior with and without the trust in organization. To measure the effect size, Med Graph developed by Jose (2008) applied.

As shown in Table 4, employees' total effect perceived psychological contract breach on their knowledge sharing behavior was  $-.44$ . Out of this effect, the direct impact of employees'

perceived psychological contract breach on their knowledge-sharing behavior was -.22. The indirect impact of employees' perceived psychological contract breach on their knowledge-sharing behavior through trust in an organization was -.44. The indirect to total ratio was .50, which means 50% effect size of employees perceived psychological contract breach on their knowledge sharing behavior goes through the mediating variable trust in an organization.

## DISCUSSION

This study revealed that employees' psychological contract breach negatively predicted their trust in the organization and knowledge-sharing behavior. It indicated that if employees perceive that their unwritten expectations are not fulfilled from the workplace, their trust in the organization will decrease. Moreover, they will not share what they possess among the co-workers, groups, or friends, or organization. There were no prior studies that precisely measure the impact of psychological contract breach on knowledge sharing behaviour and trust in the organization. The current study's findings consisted of previous studies that measured psychological contract breach as detrimental aspects showing the harmful effects on employees' attitudinal and behavioral outcomes. Few examples of those studies are Montes and Zweig (2009), Thomas et al. (2010), Turnley et al. (2003), Zhao et al. (2007). The consistency of such findings across different cultures supports the theory's generalizability. Likewise, this study tested the positive impact of employees' trust in an organization on their knowledge-sharing behavior. This means if employees trust their organization, they will share the knowledge they have learned or acquired. These findings support the finding of prior studies like Davenport and Prusak (1998), McNeish and Mann (2010), Nelson and Coop rider (1996), etc. Hence, it can be generalized that if employees trust their organization, they share the knowledge between and among groups or co-workers or organization members.

Moreover, this study revealed that employees' psychological contract breach impacts their knowledge-sharing behavior directly and indirectly through trust in an organization. This means that besides the direct effect of psychological contract on knowledge sharing behaviour, psychological contract breach reduced trust in the organization and decreased trust again, decreasing the employees' knowledge sharing behavior. Direct effect and indirect effect (through trust in an organization) of psychological contract breach to decrease knowledge sharing behavior were almost equally (50% direct and 50% indirect). This is the novel contribution of the current study, and this result supported the assumption and logic behind the hypothesis set. As this is a novel study, further studies are suggested to replicate such a relationship under different contexts before generalizing the theory.

## CONCLUSION

Based on empirical evidence and theoretical concepts, this study reveals a number of conclusions. Firstly, employees' trust towards the organization and knowledge-sharing behaviour decrease if they perceive their unwritten expectation forms the organizations are not met. Secondly, decreases in employees' trust towards the organization cause to increase knowledge sharing behavior among co-workers and groups. Finally, psychological contract breach cause to decrease their trust in an organization, and decreased trust cause to decrease knowledge sharing behavior. Moreover, psychological contract breach negatively affects knowledge sharing

behavior directly (50% of total effect) and indirectly (50% of total effect) through trust in an organization.

### Implications of the Study

Total effect size, direct effect size, and indirect effect size of the psychological contract breach on knowledge sharing behavior is the novel result of the current study. This study made a foundation for further theory testing regarding direct and indirect effect size (via trust in an organization) of the employees' psychological contract breach on their knowledge sharing behavior. Based on the current study's findings, the researcher can replicate the study under different contexts to enrich the empirical evidence and generalize the theory. Likewise, based on the empirical evidence of the current research, practicing managers can intervene to fulfill the employees' unwritten expectations to increase their trust with organization and knowledge sharing behavior. Moreover, the practice manager might develop the trust of the employees towards the organization so that employees share the knowledge among co-workers and groups. Besides novel findings, this study added the literature providing the empirical evidence from a different context regarding employees' psychological contract breach on their trust in the organization and knowledge sharing behavior.

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